
CS (EXETER) LIMITED

Registered number: 05500963

CS (EXETER) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

FRIDAY



A7FF3WJM

A18

28/09/2018

#409

COMPANIES HOUSE

CS (EXETER) LIMITED

CONTENTS

	Page
Company Information	3
Directors' Report	4 - 5
Statement of Directors' Responsibilities	6
Independent auditor's report to the members of CS (Exeter) Limited	7 - 8
Profit and Loss and Other Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 22

CS (EXETER) LIMITED

COMPANY INFORMATION

DIRECTORS	C Binns (appointed 20 th April 2018) M Keren (resigned 20 th April 2018) R Kaufman (appointed 21 st March 2017) A Bouskila (resigned 21 st March 2017)
COMPANY SECRETARY	F Smith
REGISTERED NUMBER	05500963
REGISTERED OFFICE	8 th Floor Vantage London Great West Road Brentford TW8 9AG
INDEPENDENT AUDITOR	KPMG LLP 15 Canada Square London E14 5GL

CS (EXETER) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £55,185 (2016 £30,214).

DIRECTORS

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

C Binns (appointed 20th April 2018)
M Keren (resigned 20th April 2018)
R Kaufman (appointed 21st March 2017)
A Bouskila (resigned 21st March 2017)

POLITICAL DONATIONS

The Company's policy is to make no donations to political parties (2016: £nil).

EMPLOYEES

The Company's 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 the Company's 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 Company's employees remain a priority. With the intent of attracting, recruiting, developing and retaining key employees, the Company maintains a number of policies and procedures for the benefit of its employees, which can be accessed by employees via the Human Resources department and in the Human Resources manual on the Company's intranet. Continuing education, training and development are important to ensure 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 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 Company's business and to provide opportunity for questions and feedback.

PAYMENT OF DIVIDENDS

No dividends were approved for the year ended 31 December 2017 (2016: £nil).

CS (EXETER) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

STRATEGIC REPORT

The Company has met the requirements in Companies Act 2006 to obtain the exemption provided from the presentation of a strategic report.

AUDITORS

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

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 auditor is 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 auditor is aware of that information.

By order of the board.

This report was approved by the board on 25 September 2018 and signed on its behalf.

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



CS (EXETER) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CS (EXETER) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CS (EXETER) LIMITED

Opinion

We have audited the financial statements of City Screen (Exeter) Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

CS (EXETER) LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Hugh Green (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

27 September 2018



27 September 2018

CS (EXETER) LIMITED

**PROFIT AND LOSS OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

		Year ended 31 December 2017	Year ended 31 December 2016
	Note	£	£
Turnover	2	1,219,635	1,142,893
Cost of sales		(795,869)	(755,565)
GROSS PROFIT		<u>423,766</u>	<u>387,328</u>
Administrative expenses		(351,531)	(341,363)
Other operating income	3	-	2,175
OPERATING PROFIT	4	72,235	48,140
Interest receivable and similar income		-	-
PROFIT BEFORE TAX		<u>72,235</u>	<u>48,140</u>
Tax on profit	6	(17,050)	(17,926)
PROFIT FOR THE YEAR		<u>55,185</u>	<u>30,214</u>

There was no other comprehensive income for 2017 (2016: £nil).

The notes on pages 12 to 22 form part of these financial statements.

CS (EXETER) LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2017
REGISTERED NUMBER: 05500963**

		31 December 2017 £	31 December 2016 £
Fixed assets	Note		
Goodwill	7	29,226	29,226
Tangible assets	8	766,246	722,385
		<u>795,472</u>	<u>751,611</u>
Current assets			
Stocks	9	13,032	13,579
Debtors: amounts falling due within one year	10	9,728	5,344
Cash at bank and in hand	11	4,769	10,531
		<u>27,529</u>	<u>29,454</u>
Creditors: amounts falling due within one year	12	(502,299)	(516,490)
Net current liabilities		<u>(474,770)</u>	<u>(487,036)</u>
Total assets less current liabilities		<u>320,702</u>	<u>264,575</u>
Provisions for liabilities			
Deferred tax	13	(13,921)	(12,979)
Net assets		<u>306,781</u>	<u>251,596</u>
Capital and reserves			
Called up share capital	14	4,530	4,530
Share premium account		224,235	224,235
Profit and loss account		78,016	22,831
Shareholders' funds		<u>306,781</u>	<u>251,596</u>

The financial statements were approved and authorised for issue by the board on 25 September 2018 and signed on its behalf.



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

The notes on pages 12 to 22 form part of these financial statements.

CS (EXETER) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
At 1 January 2017	4,530	224,235	22,831	251,596
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	55,185	55,185
AT 31 DECEMBER 2017	<u>4,530</u>	<u>224,235</u>	<u>78,016</u>	<u>306,781</u>

The notes on pages 12 to 22 form part of these financial statements.

CS (EXETER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

CS (Exeter) Limited is a Company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("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, England, TW8 9AG.

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

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned Group entities;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

1.2 Going concern

The financial statements have been prepared on the going concern basis, notwithstanding the Company has net current liabilities of £474,770 (31 December 2016: £487,036) and net assets of £306,781 (31 December 2016: £251,596) which the directors believe to be appropriate for the following reasons.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on page 2.

The Company participates in the ultimate parent, Cineworld Group plc's, centralised treasury arrangements and so shares banking arrangements with the parent and fellow subsidiaries. At the period end the Group met its day-to-day working capital requirements through its bank loan, which consisted of a term loan and a revolving facility.

As a result of the Regal Entertainment Group acquisition undertaken by Cineworld Plc, on 28 February 2018 the Group restructured its debt arrangements. The previous financing arrangements in place as at 31 December 2017 for the Group and Regal Entertainment Group were terminated and superseded with the new financing arrangements for the enlarged Group which consist of a USD and Euro term loan totalling \$4.1bn and a \$300.0m revolving credit facility. The revolving credit facility is subject to springing covenants which are triggered above 35% utilisation.

The enlarged Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the enlarged Group should be able to operate within the level of its new facilities for at least 12 months from the approval date of the financial statements, including compliance with the bank facility covenants.

CS (EXETER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The directors, having assessed the responses of the directors of the Company's parent Cineworld Group plc, to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Cineworld Group to continue as a going concern or its ability to continue with the new banking arrangements.

Cineworld Group plc has confirmed that it is its present intention to continue to provide financial support to the Company as part of the group cash pooling arrangement to enable it to meet its liabilities in full as they fall due and that another Group company will not recall intercompany loans to enable the Company to carry on its business for the foreseeable future without significant curtailment of operations.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Cineworld Group plc, the Company's directors have a reasonable expectation that this should enable the Company to continue in operational existence for the foreseeable future by meeting liabilities as they fall due for payment. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

1.3 Turnover

Turnover represents the total amount receivable for goods sold, excluding sales related taxes and intra-Group transactions.

- Box office revenue is recognised on the date of the showing of the film it relates to
- Concessions revenue is recognised at point of sale
- Advertising revenue is recognised over the period the advertisement is shown in cinemas
- Membership revenue is received annually or monthly in advance. When revenue is received annually in advance it is recognised on a straight-line basis over the year. Revenue from monthly revenue is recognised in the period to which it relates.
- Other revenue is recognised in the period to which it relates.

1.4 Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents amounts arising on business acquisitions. In respect of business acquisitions that have occurred since incorporation, goodwill represents the difference between the cost of the acquisition and the Group's interest in the fair value of the net identifiable assets acquired. Goodwill is capitalised and assessed for impairment on an annual basis.

1.5 Impairment of Goodwill

The Company determines whether goodwill is impaired at least on an annual basis. This requires an estimate of the value in use of the cash generating units to which the goodwill is allocated. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash generating unit that holds the goodwill at a determined discount rate to calculate the present value of those cash flows.

1.6 Tangible fixed assets

Tangible fixed assets 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 tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold property	2% Straight Line
-------------------	------------------

CS (EXETER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Leasehold property	2% Straight Line
Plant and machinery	10-20% Straight Line
Fixtures & fittings	15% Straight Line

Assets acquired for use in cinemas are depreciated from the date the cinema opens. Cinema properties in the course of construction are separately identified as a component of tangible fixed assets and are not depreciated until the cinema is brought into use.

1.7 Impairment of fixed assets

The Company determines whether tangible fixed assets are impaired when indicators of impairments exist. This requires an estimate of the value in use of the cash generating units to which the tangible fixed assets are allocated. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash generating units that holds the tangible fixed assets at a determined discount rate to calculate the present value of those cash flows.

When reviewing fixed assets for impairment, the Company is required to make certain assumptions about the future cash flows to be generated from the individual cinema sites. It is also required to discount these cash flows using an appropriate discount rate. The resulting calculation is sensitive to the assumptions in respect of future cash flows. However, the Directors consider that the assumptions made represent their best estimate of the future cash flows generated by the cinema sites, and that the discount rate used is appropriate given the risks associated with these cash flows. Management has applied sensitivity analysis to the estimates.

1.8 Stocks

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.

1.9 Trade and other Debtors

Trade and other debtors are initially measured at fair value. Subsequently they are carried at amortised cost using the effective interest method less any impairment losses. A bad debt allowance for receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

1.10 Trade and other creditors

Trade and other creditors are initially measured at fair value. They are subsequently carried at amortised cost using the effective interest method.

1.11 Provisions for Liabilities

A provision is recognised in the Balance Sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1.12 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

CS (EXETER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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.

1.13 Operating Lease Payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense. Where the Company has operating leases that contain *minimum guaranteed rental uplifts* over the life of the lease, the Company recognises the guaranteed minimum lease payment on a straight-line basis over the lease term.

2. ANALYSIS OF TURNOVER

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.

CS (EXETER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. OTHER OPERATING INCOME

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Rent receivable	-	2,175

4. OPERATING PROFIT

The operating profit is stated after charging:

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Depreciation of tangible fixed assets	29,874	60,534

Director's remuneration is paid through other Group entities for the Directors services across the Group. No apportionment to determine the amount attributable to individual entities is performed. Therefore information has been provided on Directors' remuneration as a whole paid through other entities.

The audit fee of £2,500 (2016: £2,500) has been borne by the immediate parent undertaking.

5. EMPLOYEES

Staff costs were as follows:

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Wages and salaries	298,340	286,541
Social security costs	18,757	18,015
	<u>317,097</u>	<u>304,556</u>

CS (EXETER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

	Year ended 31 December 2017	Year ended 31 December 2016
	No.	No.
Management	6	6
Operational	17	18
	<u>23</u>	<u>24</u>

6. TAXATION

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Corporation tax		
UK corporation Tax	16,036	18,042
Adjustments in respects of prior periods	72	(6,095)
Total current tax	<u>16,108</u>	<u>11,947</u>
Origination and reversal of temporary differences	1,197	9,388
Reduction in tax rate	(255)	(3,409)
Total deferred tax	<u>942</u>	<u>5,979</u>
Taxation on profit on total activities	<u>17,050</u>	<u>17,926</u>

The tax assessed for the period is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

CS (EXETER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Reconciliation of effective tax rate:

	31 December 2017 £	31 December 2016 £
Profit on ordinary activities before tax	<u>72,235</u>	<u>48,140</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	13,905	9,628
Expenses not deductible for tax purposes	4,313	11,176
Adjustments in respect of prior periods	(913)	532
Reduction in tax rate on deferred tax balances	(255)	(3,410)
Total tax charge for the period	<u>17,050</u>	<u>17,926</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

As part of the Cineworld Group, the Company may receive or surrender losses by way of group relief. Equivalent receipts or surrenders have been made in the past without charge. Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective from 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the periods when the assets are released or liabilities settled, based on tax rates enacted or substantively enacted at the balance sheet date.

7. GOODWILL

Cost	£
At 1 January 2017	29,226
At 31 December 2017	<u>29,226</u>
At 1 January 2016	29,226
At 31 December 2016	<u>29,226</u>

The Company has discounted forecast cash flows using a pre-tax discount rate of 9.20% (31 December 2016: 9.20%) being a market participant's discount rate.

Management have sensitised the key assumptions in the goodwill impairment test including the discount rate and under both the base case and sensitised cases no indicators of impairment exist. Management believe that any reasonably possible change in the key assumptions on which recoverable amounts are based would not cause the carrying value to exceed its recoverable amount.

CS (EXETER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. TANGIBLE FIXED ASSETS

	Leasehold and Freehold property	Plant & machinery	Fixtures & fittings	Total
	£	£	£	£
Cost				
At 1 January 2017	843,970	263,613	197,490	1,305,073
Additions	64,718	599	8,418	73,735
At 31 December 2017	<u>908,688</u>	<u>264,212</u>	<u>205,908</u>	<u>1,378,808</u>
Depreciation				
At 1 January 2017	134,071	259,970	188,647	582,688
Charge for the year	15,750	4,242	9,882	29,874
At 31 December 2017	<u>149,821</u>	<u>264,212</u>	<u>198,529</u>	<u>612,562</u>
At 31 December 2017	<u>758,867</u>	<u>-</u>	<u>7,379</u>	<u>766,246</u>
At 31 December 2016	<u>709,899</u>	<u>3,643</u>	<u>8,843</u>	<u>722,385</u>

CS (EXETER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. STOCKS

	31 December 2017 £	31 December 2016 £
Finished goods and goods for resale	<u>13,032</u>	<u>13,579</u>

10. DEBTORS

	31 December 2017 £	31 December 2016 £
Trade debtors	883	790
Prepayments and accrued income	8,845	4,554
	<u>9,728</u>	<u>5,344</u>

11. CASH AND CASH EQUIVALENTS

	31 December 2017 £	31 December 2016 £
Cash at bank and in hand	<u>4,769</u>	<u>10,531</u>

12. CREDITORS: Amounts falling due within one year

	31 December 2017 £	31 December 2016 £
Amounts owed to group undertakings	446,687	467,930
Corporation tax	16,036	18,042
Other taxation and social security	-	777
Accruals and deferred income	39,576	29,741
	<u>502,299</u>	<u>516,490</u>

CS (EXETER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. DEFERRED TAX

**Movement in deferred tax
during the year**

Deferred tax

At 1 January 2017	(12,979)
Recognised in income	(942)
At 31 December 2017	(13,921)

The deferred tax provisions is made up as follows:

	2017	2016
	£	£
Accelerated capital allowances	(13,921)	(12,979)

14. SHARE CAPITAL

	31 December 2017 £	31 December 2016 £
Allotted, called up and fully paid		
453,000- Ordinary shares of £0.01 each	4,530	4,530

15. 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 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). The consolidated financial statements of Cineworld Group Plc, within which this Company is included, can be obtained from the address given in note 17.

16. CONTROLLING PARTY

The Company is a subsidiary of Picturehouse Cinemas Limited. The Company's ultimate parent undertaking is 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 accounts are available from 8th Floor, Vantage London, Great West Road, Brentford TW8 9AG.