

Cinema Leisure
Normandy Street
Alton
Hampshire
GU34 1DE



I have owned this property since 1995. As a result of a larger bingo club being opened in Basingstoke the admission levels have been slowly declining, consequently the number of sessions that I open has also followed suit.

At the beginning I opened six evenings and two afternoons per week and as of now only three evenings per week. The admission level at present hovers around 60 per week with the busiest session attracting 24 people and the quietest attracting only 12 people where there is a seating capacity of 174.

As per the letter from my accountant for the year end 2012/2013 relating to the Bingo, (strictly Private and Confidential), you will notice that the difference between income and the cost of sales is a deficit figure. When adding on to that a proportionate amount of the overheads for the building relating to bingo use, such as maintenance, telephone, wages etc, you can see I am operating this bingo at considerable loss.

Up until a year ago the cinema income was able to support the bingo but since the opening of a seven screen cinema in Aldershot, which is a 15 minute drive from Alton, the cinema is also suffering a loss of income, therefore keeping the bingo open is no longer a viable option. This would not make a difference to my bingo customers as they have two other bingo venues in Alton. Namely, The British Legion and The Conservative Club, who often pay a higher prize money than I do as a result of minimum costs. Unfortunately the low level of admission does not allow me to join the big bingo clubs and play for higher prize money. I did try to sell the bingo club to some other bingo operators, understandably they have declined.

The property has been on the market for sale since early 2011 with Humberts Leisure. Sales particulars attached. I have had meetings with several interested parties all of whom are property developers they did not show any further interest once they learnt that any development at the site will be an uphill struggle with the loss of the cinema. I am not overly concerned as I wish to carry on providing the cinema facility for the local community at least for the next five years, providing I have no concerns about the bingo.

As previously mentioned the opening of the seven screen cinema in Aldershot has eliminated any possibilities of me being able to utilise the bingo area as a third screen as there will be no demand in Alton. This is not helped by the lack of other attractions in Alton i.e. Pizza Hut, Nandos, KFC etc which are usually situated not too far from the cinema in the larger towns, often an enticement for the youngsters.

Sadly the time is nearing that I have to make a decision of closing the bingo down, which will then create a problem of a neglected empty space in the building.

Over the years my passion has been providing the cinema experience for the local community and I do not wish to see that disappearing. I have therefore recently purchased two digital projectors to continue the existence of the cinema at a cost of £70,000, which was not easy as I could not get any grants or support from either the local district or the lottery fund as their answer was always they could not help a privately owned cinema. So my contribution of £70,000 will ensure that the facility remains in Alton for the foreseeable future.

Mr R Jeyasingam

FOR SALE



THE PALACE CINEMA, ALTON

58 Normandy Street, Alton, Hampshire, GU34 1DE

TRADING CINEMA WITH DEVELOPMENT POTENTIAL
Offers in excess of £1.3m

- Fully-equipped cinema with existing goodwill
- Turn-key operation
- Provincial town centre location
- Active management opportunities
- Existing rental income
- Affluent market town
- High catchment population



Location

The property is located on Normandy Street, close to Alton railway station and opposite the Orchard Lane junction. Normandy Street forms part of the main thoroughfare through Alton town centre and is an extension of the High Street. Mainline railway services from Alton to London Waterloo take approximately one hour.

The Property

The property dates from the early 20th century and is arranged over three floors with a large bingo hall and retail unit on the ground floor as well as two cinema auditoriums at first and second floor level with ancillary stores. The internal ceiling height of the bingo hall is approximately 4.4 m (14 sq ft) and the overall building height is circa 8.2 m (27 sq ft).

The cinema entrance and box office are off Normandy Street with steps leading up to the foyer and seating area. There is rear access/egress from each auditorium via a side alley leading back onto Normandy Street.

Accommodation

| Floor | Description | Sq M | Sq Ft |
|-----------------------|------------------------|--------------|--------------|
| Ground | Main Bingo Hall | 249.0 | 2,680 |
| Ground | Screen One (116 seats) | 141.9 | 1,527 |
| Ground | Retail Unit | 35.2 | 379 |
| Ground | Ancillary | 53.3 | 574 |
| 1 st Floor | Screen Two (82 seats) | 154.4 | 1,662 |
| 1 st Floor | WC's/Ancillary | 68.8 | 741 |
| TOTAL GIA | | 702.6 | 7,563 |



Local Demographics (2009 Census)

Alton has an overall catchment population of approximately 144,726, and 47% of residents are considered to be married and 32% are between the ages of 15 and 39.

An estimate of 30% (35,000) of the population of Alton are thought to be homeowners and 49% (56,360) are considered to be working in senior-management and/or professional jobs (AB social grade). The average household income in East Hampshire is approximately £22,880 approximately 10% above the national average.

The Business

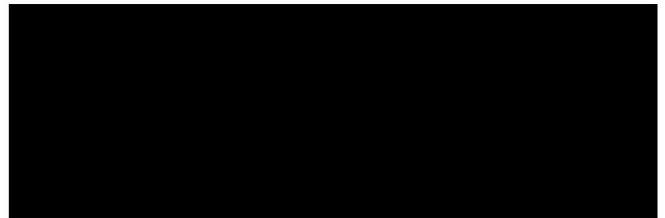
Below is a summary of the most recent trading accounts for the cinema and bingo businesses combined:-

| Item | 2007/08 | 2008/09 | 2009/10 |
|------------------|---------|---------|---------|
| Turnover (£) | | | |
| Gross Profit (£) | | | |
| *EBITDA (£) | | | |

*Earnings before interest, tax, depreciation, and amortisation

Current ticket prices are £5.25 for adult and £3.25 for children. Competing cinemas in the locality charge between £7.70 and £8.50 for adults. We are of the opinion there is scope to improve the existing business to generate higher revenue. A copy of the management accounts is available to interested parties upon application.

Tenancies

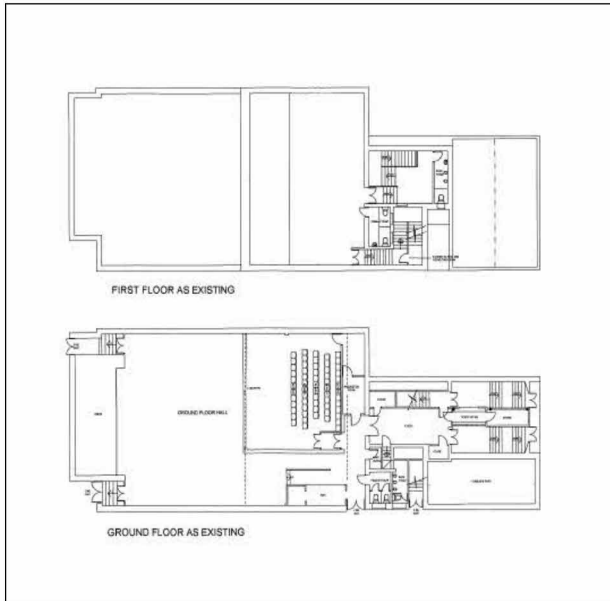


Equipment

The following trade equipment will be included in the sale:-

- Westrex projector (35mm) and lamp housing
- Meo 5 projector (35mm) and lamp housing
- CP55, Dolby digital sound system and amplifier
- CP65, Dolby digital sound system and amplifier
- Silver screen (4m x 2.7m)
- Silver screen (3.7m x 1.7m)

The machinery, equipment, fixtures/fittings described above have not been tested and interested parties should carry-out their own investigations as to its condition and functionality.



Proposed Development

The property could be redeveloped in a number of different ways, but does not currently have planning permission.

We envisage a proposed scheme which broadly resembles the following accommodation (areas are approximate):-

| Unit No | Floor | Accommodation |
|---------|---|------------------------------------|
| 1 | Grd | 2 bedroom flat |
| 2 | Grd | 2 bedrooms flat |
| 3 | 1st | 2 bedroom flat |
| 4 | 1st | 2 bedroom flat |
| 5 | 2nd | 2 bedroom flat |
| 6 | 2nd | 2 bedroom flat |
| 7 | 2nd | 1 bedroom flat |
| Parking | Basement | 6 spaces |
| Cinema | Ground, 1 st and 2 nd | 2 auditoriums, retail unit, stores |

Town Planning

The property has planning permission to be used as a cinema, which falls within use class D2 (assembly and leisure) of the Town & Country Planning (Use Classes) Order 1987.

House Prices (Experian)

The average price of a flat/maisonette in the Alton catchment area as at Q2 2010 was £163,484. This compares to the national average of £167,557.

Guide Price

Offers in excess of £1.3m are invited for the freehold interest and should be made in writing with proof of funds attached.

Further Information & Viewing

The property is offered freehold. Interested parties can view the property by formal appointment by contacting Rod Bowers, MRICS of Humberts Leisure, the sole selling agent.



IMPORTANT NOTICE

Humberts Leisure for themselves and for the vendors or lessors of this property for whom they act give notice that:

1 These particulars are prepared for the guidance only of prospective purchasers. They are intended to give a fair and overall description of the property and do not constitute the whole or any part of an offer or contract.

2 Any information contained herein (whether in text, plans or photographs) is given in good faith but should not be relied upon as being a statement or representation of fact.

3 Nothing in these particulars shall be deemed to be a statement that the property is in good condition or otherwise nor that any services or facilities are in good working order.

4 It should not be assumed that any contents, furnishings, furniture or equipment are included in the sale, nor that the property remains as displayed in the photographs. No assumption should be made with regard to parts of the property that have not been photographed.

5 Any areas, measurements or distances referred to herein are approximate only.

6 It should not be assumed that the property has all necessary planning, building regulation or other consents and these matters must be verified by an intending purchaser.

7 The information in these particulars is given without responsibility on the part of the agents or their clients and neither the agents nor their employees have any authority to make or give any representations or warranties whatever in relation to this property.

8 Humberts Leisure will not be liable, in negligence or otherwise for any injury or loss arising from the use of these particulars.

9 The property is offered for sale subject to contract and availability.

10 These particulars were produced in February 2011 and the photographs were taken previously.

Humberts Leisure Ltd. Registered in England & Wales No. 2567699. VAT No. 761 451 929. Registered Office: 12 Bolton Street, Mayfair, London W1J 8BD contact@humberts-leisure.com

Lynchpin Leisure Limited



16th March 2013

Dear Mr. Jeyasingam

Thank you for your letter dated 22nd of February 2013.

It is our company's policy to acquire bingo clubs achieving an average weekly admission of no less than 2000.

You have stated that your club`s weekly admission is 70, which unfortunately is considerably less than our minimum requirement.

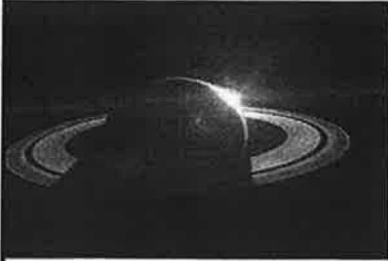
For this reason we have to decline your offer to sell or rent it to us.

Once again thank you for thinking of us.

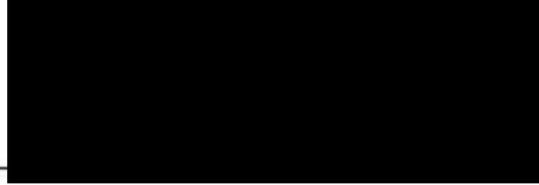
Yours sincerely,



Managing Director.



New Century Bingo Ltd



4th April 2013

Dear Mr Jeyasingam

Thank you for your enquiry as to whether we would be interested in purchasing your Bingo Club.

Unfortunately in our view Alton has not got the social economic group who will support the continued existence and we at present would not consider purchasing a Bingo Club unless it does a minimum of 2000 admissions per week.

Therefore I have to decline making an offer to purchase your club.

Yours sincerely



Managing Director





