



In 1936, a man called John Duff started a sole trading business thereby opening his first cinema later that year. The business began to grow and he shortly owned 14 cinemas but after a while he decided to change the ownership of his business. There are various reasons for this move and one is to help with growth. Another reason was the need for capital, to increase the salaries and status of managers as the business expands, to open up new possibilities and to help to spread the risks of the business, to obtain economies of scale.

Growth would lead to a possibility of higher profit to the owners and that means that it controls a larger share of the market – (the proportion of total market sales). This gives a business more influence when dealing with suppliers and distributors and consumers as they are often attracted to the 'big names' in an industry because they think it has a better chance of survival.

At the start the business was run as a sole trader then in 1955 his family member joined turning it into J Duff and Co Limited a Private limited Company, there is a variety of reasons whereby a business should become a private limited company. These mainly include; the reason that shares can be sold to a large amount of people and all shareholders have limited liability. This is an important advantage; it means that if the company failed with debts owing to creditors, the shareholders could not be forced into selling their own possessions to settle the debts unlike sole traders who have unlimited liabilities. There are also some drawbacks to being a private limited company, this include the fact that the shares in a private limited company cannot be sold or transferred to anyone else without the agreement of the other shareholders. This rule can make some people reluctant to invest in such a company because they may not be able to sell their shares quickly if they if they require their investment back.

At the start I think John Duff had different aims and which changed as the business grew. Firstly he would have aimed towards survival and breaking- even. Later the aims were making profit, growing, increasing the number of cinemas, buying more multiplexes, increasing sales, competing more effectively and relocation of cinemas to retail parks. In 1966, due to maintained extension the business was floated on the stock exchange and became a Public Limited Company thereby the business was known as Screen Scene plc. There benefits of a Public limited company include; the

fact that it is an incorporated business and is a separate legal entity so its accounts are kept separately and also there is continuity if a shareholder dies. The SSpIc now has an opportunity to raise very large capital sums to invest in the business and there is no limit to the amount of shareholders it can have but a drawback is the legal formalities of forming such a company are quite complicated and time consuming plus accounts must be published making it easier to be taken over.

John Duff used various strategies to help growth; these comprise in buying more multiplexes, selling confectioneries, changing food options i.e. including vegetarian meals and using vending machines. Screen Scene plc now owns 240 cinemas across England and Wales, 200 of these are multiplexes and they intend on opening more multiplexes on retail park sites to compete more effectively. Screen Scene plc is planning on improving its standards with more 'up-market facilities thereby differentiating itself from its main rivals in some areas. The cinema market is becoming more entertaining as the years go by as its changed from black and white films with re-runs to Technicolor films with confectioneries in the foyer, arcades, large number of screens, movies for people in different age ranges. The peak of the cinema audiences was in 2001 with '176m people.' Various factors influence the cinema markets future i.e. technology, demand and competition. Demand can affect their future as due to the variation in age, gender, culture There would be a different demand for things the cinema market renders. They may be a few constraints that I think may impact the running of Screen scene plc. These include; interest rates because as interest rates go up ticket rates would not be stable. Inflation is also a constraint and its legislation.

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