

**ADVANCED SUBSIDIARY GCE UNIT  
LEISURE STUDIES**

Unit 3: Leisure Industry Practice

**CASE STUDY**

Morning

**Pre-release case study for examination June 2007**

**TUESDAY 12 JUNE 2007**

Time: 1 hour 30 minutes



**INSTRUCTIONS TO CENTRES**

- This clean copy of the case study should be issued to candidates in the examination.

**INFORMATION FOR CANDIDATES**

- This is a clean copy of the case study which you should already have seen.
- You should refer to it when answering the examination questions which are printed in a separate booklet.
- You **must not** take your previous copy of the case study into the examination.
- You **must not** take notes into the examination.

This document consists of **4** printed pages.

## C. C. Cinemas

C. C. Cinemas (CCC) was originally established as a company in the 1930s. The company was started to cater for the large and growing mass market in cinema attendance. CCC was one of the first companies to develop large comfortable auditoriums in nearly every large city in the UK, where its customers could spend the whole evening being entertained. With the decline of cinema attendances in the 1960s, CCC was forced to diversify, converting most of its cinemas to a combined entertainment complex of bingo halls and smaller cinemas. These changes, in turn, led CCC to develop part of its business in the construction and distribution of gaming machines and to establish three casinos. The casinos are run on a membership only basis. 5

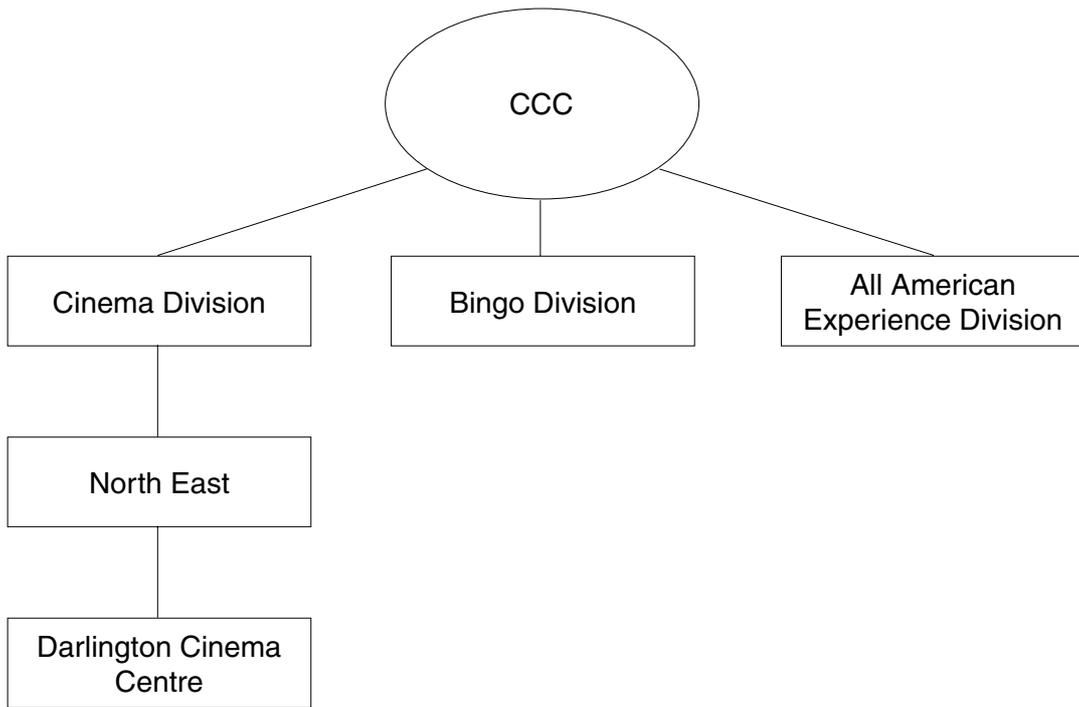
For about 20 years CCC's business was static. The fortunes of CCC began to change about 15 years ago as it benefited from the growth in the entertainment industry. CCC began to develop 'out of town' multiplex cinemas in response to the growing popularity of cinema attendance, particularly amongst young people. Five years ago it also began construction of several new bingo entertainment centres. 10

In response to demand from the public for one stop, 'out of town' entertainment, CCC is now planning a major investment in establishing the 'All American Experience', a ten-pin bowling alley with a traditional 1950s American diner attached. The introduction of the new facilities will mean that CCC will have to ensure all relevant risk assessments are carried out. CCC recognises it will require a large amount of capital to establish these facilities, and that kitchen equipment will depreciate, but it is hoped that these new facilities will significantly expand CCC's share of the family and young adult market, and will make a significant contribution to CCC's turnover and gross profit. CCC expects to make good returns on capital invested within two years. CCC believes that a good starting point for marketing these new facilities is the existing customer groups which use the multiplex cinemas and bingo centres. 15 20

A new phenomenon that CCC is planning to introduce is the film 'sing-along' night. This involves large numbers of people watching a classic musical film, dressing in fancy dress in line with the theme of the film and joining in with the film songs through the use of subtitles. These evenings often involve other activities, such as competitions and interviews with celebrities. 25

CCC is organised into divisions (see Fig. 1); the Cinema Division, the Bingo Division and the proposed 'All American Experience' Division. Each has its own management structure, with individual and organisational targets. In order to avoid confusion, CCC calls them all 'cost centres'. Each cost centre produces its own quarterly budget (see Fig. 2). However, there is still an overall monitoring of day to day progress as each part of the organisation uses an Electronic Point of Sale (EPOS) system which feeds directly into the management information system of CCC. 30 35

CCC has recently been criticised regarding its health and safety procedure in relation to its employees. CCC thought this criticism was unfair. CCC has, for a number of years, achieved the Investors in People quality standard. Although CCC is concerned by the high labour turnover amongst lower management staff, CCC feels it looks after all its employees well. The nature of its business does mean that members of staff often have to work long and unsociable hours and because the work can be influenced by seasonal factors, many of its workforce are employed on a part-time casual basis. CCC has now introduced a monitoring system to ensure that the Working Time Regulations are implemented correctly by all managers. 40



**Fig. 1.** Extract from CCC's organisational structure

EXPENSES	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Wages (full time)	18250	16200	18250	16200	18250	19520	18250	18520
Wages (part time)	9552	10643	9552	9834	11530	9949	11530	11640
Electricity	1000	986	1000	1157	1000	987	1000	1146
Telephone	325	427	325	489	325	543	325	530
Training	0	200	2000	2009	0	1780	2000	25
<b>TOTAL</b>								

**Fig. 2.** Extract from a typical quarterly budget of CCC's Darlington cinema centre

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