

Ardnasillagh Limited

Directors' Report and Financial Statements

52 week period ended 4 January 2009

Registered Number: 2911933

THURSDAY



LD4
L21R3CKE
20/08/2009
COMPANIES HOUSE

43

CONTENTS

	Page
DIRECTORS AND OTHER INFORMATION	2
DIRECTORS' REPORT	3 - 4
INDEPENDENT AUDITORS' REPORT	5 - 6
ACCOUNTING POLICIES	7
PROFIT AND LOSS ACCOUNT	8
BALANCE SHEET	9
NOTES TO THE FINANCIAL STATEMENTS	10 - 12

DIRECTORS AND OTHER INFORMATION

Directors

Tony Keating (Irish)
Martin Higgins (Irish)
James Whatley (US) (appointed 25 June 2008)

Solicitors

Cameron McKenna
Mitre House
160 Aldersgate Street
London
EC1A 4DD

Secretary and Registered Office

Mitre Secretaries Limited
Harefield Place
The Drive
Uxbridge
UB 10 8AQ
UK

Registered Number: 2911933

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the 52 week period ended 4 January 2009.

Fair review of development and performance of the business and of its position

The principal activities of the company are to acquire and hold shares in trading companies. Both the level of business and the period end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

Principal risks and uncertainties facing the business

The principal risk and uncertainties that the business faces are in relation to its operating activities. The management team have as one of its main objectives the control and monitoring of such risk. The directors review and consider the risks facing the company on a regular basis.

52 week
period ended
2009
€'000

Profit, dividend and reserves

Profit for the period	49
Dividend paid	(49)
Retained for period	-

Future developments

No change in the nature of the company's business is anticipated.

Directors

The names of the persons who were directors at any time during the 52 week period ended 4 January 2009 are set out below. Except as indicated they served as directors for the entire period.

Martin Higgins	(Irish)	
Tony Keating	(Irish)	
Thomas Kurrikoff	(US)	(resigned 25 June 2008)
James Whatley	(US)	(appointed 25 June 2008)

The company is a wholly owned subsidiary of a company incorporated outside Great Britain, as permitted by Statutory Instrument, no disclosure is made of any interest of the directors in the shares or restricted share units of the ultimate parent Blockbuster Inc.

Statement of directors' responsibilities in respect of financial statements

UK company law requires the directors to prepare financial statements for each financial period which 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. The directors are required to prepare financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgement have been made in preparing the financial statements for the period ended 4 January 2009 and that appropriate accounting standards have been followed.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the United Kingdom Companies Act, 1985. They 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.

Events after the balance sheet date

There were no significant events subsequent to the period end.

DIRECTORS' REPORT - continued

Employees

Save directors, the company had no employees during the period.

Political and charitable donations

The company made no political or charitable donations during the period.

Books of account

The measures taken by the directors to secure compliance with the company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at the Xtra-Vision head office, Greenhills Road, Tallaght, Dublin 24.

Provision of information to auditors

The directors confirm that in so far as each director is aware, that there is no relevant audit information of which the company's auditors are unaware. The directors have taken all appropriate steps to ensure that the auditors are aware of all necessary information.

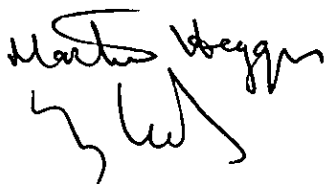
Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office. A resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By order of the board

Tony Keating

Martin Higgins

Handwritten signatures of Martin Higgins and Tony Keating. The signature of Martin Higgins is written over the printed name, and the signature of Tony Keating is written below it.

28 May 2009

Independent auditors' report to the members of Ardnasillagh Limited

We have audited the financial statements of Ardnasillagh Limited for the 52 week period ended 4 January 2009 on pages 8 to 12 which comprise the profit and loss account, the balance sheet and the related notes, which have been prepared under the historical cost convention and the accounting policies set out on the statement of accounting policies on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is consistent with the financial statements. In addition, we report to you if, in our opinion the company has not kept proper accounting records, if we have not received the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Ardnasillagh Limited - continued

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 4 January 2009 and of its profit for the 52 week period then ended; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Acts, 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers

**PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin**

5 June 2009

ACCOUNTING POLICIES

The significant accounting policies adopted by the company are as follows:

Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in the United Kingdom and United Kingdom statute, comprising the Companies Act 1985. Accounting standards generally accepted in the United Kingdom in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in England and Wales and issued by the Accounting Standards Board.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Group financial statements

These financial statements present information about the company as an individual undertaking and not about its group. Consolidated financial statements have not been prepared as the company is itself a subsidiary undertaking and satisfies the conditions set out under Section 8, sub-section 1 of the European Communities (Companies Group Accounts) Regulations, 1992.

Financial assets

Investments included as financial assets are stated at cost less provision for any permanent diminution in value.

Taxation and deferred taxation

The charge for taxation is based on the profit for the period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax assets is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

PROFIT AND LOSS ACCOUNT
52 week period ended 4 January 2009

	Notes	52 week period ended 4 January 2009 €'000	53 week period ended 6 January 2008 €'000
Income from financial assets and similar income	2	<u>49</u>	<u>5,349</u>
Profit on ordinary activities before taxation		49	5,349
Tax on profits on ordinary activities	3	<u>-</u>	<u>-</u>
Profit for the financial period		49	5,349
Dividend paid	4	<u>(49)</u>	<u>(5,349)</u>
Result retained for the period		<u>-</u>	<u>-</u>

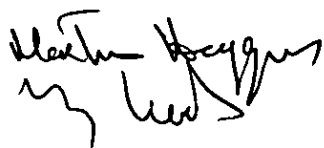
There were no recognised gains or losses other than those dealt with in the profit and loss account above.

There is no difference between the profit on ordinary activities before tax and the result retained above and their historical cost equivalents.

By order of the board

Tony Keating

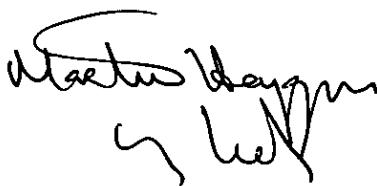
Martin Higgins



BALANCE SHEET
At 4 January 2009

	Notes	4 January 2009 €'000	6 January 2008 €'000
Fixed assets			
Financial assets	5	<u>361</u>	<u>361</u>
Current assets			
Debtors	6	3,948	3,899
Creditors - amounts falling due within one year	7	<u>(3,454)</u>	<u>(3,405)</u>
Net current assets		<u>494</u>	<u>494</u>
Total assets less current liabilities		855	855
Creditors - amounts falling due after more than one year	8	<u>(387)</u>	<u>(387)</u>
Net assets		<u>468</u>	<u>468</u>
Capital and reserves			
Called up share capital	9	370	370
Profit and loss account		<u>98</u>	<u>98</u>
Equity shareholders' funds	10	<u>468</u>	<u>468</u>

The financial statements on pages 8 to 12 were approved by the Board of directors on 28 May 2009 and signed on its behalf by:



NOTES TO THE FINANCIAL STATEMENTS

1 Group membership

The smallest group in which the company is a member is Blockbuster Entertainment (Ireland) Limited. This company has availed of the exemption not to prepare consolidated financial statements available in the European Communities (Companies: Group Accounts) Regulations 1992.

The company's ultimate parent and which group financial statements are prepared is Blockbuster Inc, a company incorporated in the United States of America. These consolidated financial statements are available to the public and may be obtained from 1201 Elm Street, Dallas, Texas 75270, USA.

With regard to transactions with the Blockbuster group the company has availed of the exemption under paragraph 3(1) of FRS 8 Related Party Transactions, which permits subsidiaries not to disclose details of transactions with group companies, where 90% of the voting rights are controlled within the group.

2 Income from financial assets and similar income

	52 week period ended 4 January 2009 €'000	53 week period ended 6 January 2008 €'000
Dividends received from subsidiary undertakings	49	5,349

3 Tax on profit on ordinary activities

The current tax charge for the period is lower than the charge that would result from applying the standard UK corporation tax rate on profit on ordinary activities. The difference is explained below:

	52 week period ended 4 January 2009 €'000	53 week period ended 6 January 2008 €'000
Profit on ordinary activities before taxation	49	5,349
Profit on ordinary activities multiplied by standard rate of corporation tax of 28.5% (2008: 28.5%)	14	1,604
<i>Effect of:</i>		
Franked investment income	(14)	(1,604)
Current tax charge for the period	-	-

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Dividends	52 week period ended 4 January 2009 €'000	53 week period ended 6 January 2008 €'000
--------------------	---	---

Paid:

Equity dividend of €0.393 (2008: €42.66) per ordinary share

49	5,349
----	-------

5 Financial assets	4 January 2009 €'000	6 January 2008 €'000
Investment in subsidiary undertaking	310	310
8% subordinated loan stock invested in subsidiary	51	51
	<u>361</u>	<u>361</u>

The details of the principal subsidiary at 4 January 2009 are as follows:

<i>Name</i>	<i>% shareholding</i>	<i>Registered office</i>
Xtra-vision Limited	100%	Greenhills Road, Tallaght, Dublin 24

The subsidiary is involved in the operation of home entertainment stores in the Republic of Ireland.

The subordinated loan stock is interest bearing and unsecured. The entitlement to interest has been waived during the period.

6 Debtors	4 January 2009 €'000	6 January 2008 €'000
Amounts owed by group undertakings	<u>3,948</u>	<u>3,899</u>

7 Creditors - amounts falling due within one year	4 January 2009 €'000	6 January 2008 €'000
Amounts owed to group undertakings	<u>3,454</u>	<u>3,405</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Creditors - amounts falling due after more than one year	4 January 2009 €'000	6 January 2008 €'000
300,000 10% cumulative redeemable participating preferred ordinary shares	<u>387</u>	<u>387</u>

The rights attached to the redeemable participating preferred ordinary shares are as follows:

The cumulative redeemable participating ordinary shares ("CRPPO") rank pari passu with the ordinary shares in all respects save that the 10% CRPPO confer on their holders the right to receive a 10% dividend in priority to the ordinary shares. This entitlement was waived during the period.

The CRPPO are convertible into ordinary shares at any time at the option of their holders and are redeemable on the occurrence of specified events.

9 Called up share capital	4 January 2009 €'000	6 January 2008 €'000
Authorised:		
125,383 ordinary shares of Stg£1 each	<u>370</u>	<u>370</u>
Issued, allotted and called up:		
125,383 ordinary shares of Stg£1 each	<u>370</u>	<u>370</u>

10 Reconciliation of movement on shareholders' funds	4 January 2009 €'000	6 January 2008 €'000
Profit for the period	49	5,349
Dividends	<u>(49)</u>	<u>(5,349)</u>
Net movement in shareholders' funds	-	-
Equity shareholders' funds at beginning of period	<u>468</u>	<u>468</u>
Equity shareholders' funds at end of period	<u>468</u>	<u>468</u>

11 Cash flow statement

The company has availed of the exemption from preparing a cash flow statement. The exemption is under paragraph 5(a) of FRS1 available to subsidiaries where 90% or more of the voting rights are controlled within the group, provided that consolidated financial statements in which those subsidiary undertakings are included are publicly available.

12 Approval of financial statements

The directors approved the financial statements on 28 May 2009.