

2911933

**Ardnasillagh Limited**

**Directors' Report and Financial Statements**

**Year Ended 31 December 1999**



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**DIRECTORS AND OTHER INFORMATION**

**Directors**

C Wyatt  
M Higgins  
T Keating

**Solicitors**

Cameron McKenna  
Mitre House  
160 Aldersgate Street  
London  
EC1A 4DD

**Secretary and Registered Office**

Mitre Secretaries Limited  
45 Riverside Way  
Uxbridge  
Middlesex  
UB8 2YF

**Bankers**

National Irish Bank Limited  
7/8 Wilton Terrace  
Dublin 2

**Registered Number: 2911933**

**Auditors**

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
George's Quay  
Dublin 2

## DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 December 1999.

### Statement of directors' responsibility

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of company's affairs at the end of the year and if its profit or loss for the year then ended. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the 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.

### Principal activity

The company is an investment holding company. Details of its investments are included in note 6.

### Results for period

IR£'000

The profit for the year, after taxation amounted to

1,170

The directors recommend the payment of a dividend of IR£4.05 per ordinary share.

### Directors and secretary

The names of the persons who were directors at any time during the year ended 31 December 1999 are set out below. Except as indicated they served as directors for the entire year.

C Wyatt

M Higgins (appointed 4 June 1999)

T Keating (appointed 4 June 1999)

N Travis resigned as a director on 23 June 2000 and V Salt resigned as a director on 22 December 2000.

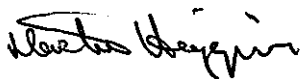
None of the directors in office at the beginning or end of the year had any beneficial interest in the share capital of the company.

### Auditors

The auditors PricewaterhouseCoopers have expressed their willingness to continue in office.

### On behalf of the board

M Higgins



T Keating



28 March 2001

**PricewaterhouseCoopers**

P.O. Box 1283  
George's Quay  
Dublin 2  
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**AUDITORS' REPORT TO THE MEMBERS OF ARDNASILLAGH LIMITED**

We have audited the financial statements on pages 6 to 11.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Acts. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all 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 other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

**Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards 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.

**AUDITORS' REPORT - continued**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Dublin

29 March 2001

## **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 Companies legislation, 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.

### **Historical cost convention**

The financial statements are prepared under the historical cost convention.

### **Financial assets**

Financial assets are stated at cost less provision for any permanent diminution in value.

### **Taxation**

Corporation tax payable is provided on taxable profits at current rates.

Deferred taxation is provided on timing differences to the extent that it is expected to become payable in the foreseeable future and any amount not provided is disclosed as a contingent liability.

Timing differences are temporary differences between profits as computed for taxation purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

### **Foreign currency**

The financial statements are expressed in Irish pounds (IR£), the functional currency of the company.

Monetary assets and liabilities are translated into Irish pounds at exchange rates prevailing at the balance sheet date and gains or losses are taken to the profit and loss account.

**PROFIT AND LOSS ACCOUNT**  
Year Ended 31 December 1999

	Notes	1999 IR£'000	1998 IR£'000
Operating loss	2	-	(32)
Income from financial assets and similar income	3	<u>1,170</u>	<u>2,082</u>
<b>Profit on ordinary activities before taxation</b>		<b>1,170</b>	<b>2,050</b>
Taxation	4	<u>-</u>	<u>-</u>
<b>Profit for the financial period</b>		<b>1,170</b>	<b>2,050</b>
Dividends: paid	5	<u>(1,170)</u>	<u>(2,000)</u>
<b>Retained profit for the period</b>		<b>-</b>	<b>50</b>
<b>Balance at beginning of year</b>		<u>77</u>	<u>27</u>
<b>Balance at end of year</b>		<u>77</u>	<u>77</u>

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

On behalf of the board

M Higgins *Martin Higgins*

T Keating *T Keating*



**BALANCE SHEET**  
At 31 December 1999

	Notes	1999 IR£'000	1998 IR£'000
<b>Fixed assets</b>			
Financial assets	6	<u>284</u>	<u>284</u>
<b>Current assets</b>			
Debtors	7	562	392
Cash and bank balances		<u>4</u>	<u>4</u>
		566	396
Creditors - amounts falling due within one year	8	<u>(177)</u>	<u>(7)</u>
<b>Net current assets</b>		<u>389</u>	<u>389</u>
<b>Total assets less current liabilities</b>		<u>673</u>	<u>673</u>
<b>Financed by</b>			
<b>Capital and reserves</b>			
Called up share capital	9	596	596
Profit and loss account		<u>77</u>	<u>77</u>
<b>Equity shareholders' funds</b>	10	<u>673</u>	<u>673</u>

**On behalf of the board**

M Higgins

*Martin Higgins*

T Keating

*T Keating*

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**1 Group membership**

The company and its subsidiaries are subsidiaries of Blockbuster Entertainment (Ireland) Limited for which group financial statements are prepared.

The parent undertaking of the smallest group of which the company is a member, and for which group financial statements are prepared, is Blockbuster Entertainment (Ireland) Limited. Copies of the consolidated financial statements of Blockbuster Entertainment (Ireland) Limited are available to the public and may be obtained from the Companies Registration Office, Parnell Square Dublin 1.

The ultimate holding company is Viacom Inc., a company incorporated in the United States of America.

**2 Operating loss**

	1999 IR£'000	1998 IR£'000
Foreign currency exchange loss	<u>-</u>	<u>32</u>

**3 Income from financial assets and similar income**

	1999 IR£'000	1998 IR£'000
Dividends received	1,170	2,000
Interest receivable on intercompany balances	<u>-</u>	<u>82</u>
	<u>1,170</u>	<u>2,082</u>

**4 Taxation**

The company had no taxable profits for the year.

## NOTES TO THE FINANCIAL STATEMENTS - continued

5 Dividends	1999 IR£'000	1998 IR£'000
Paid:		
Equity dividend of IR£4.05 (1998: IR£6.94) per ordinary share	<u>1,170</u>	<u>2,000</u>

6 Financial assets	1999 IR£'000	1998 IR£'000
Investments in subsidiary undertakings:		
Opening balance	<u>244</u>	<u>244</u>
Closing balance	<u>244</u>	<u>244</u>
8% subordinated loan stock invested in subsidiary:		
Opening balance	<u>40</u>	<u>40</u>
Closing balance	<u>40</u>	<u>40</u>
	<u>284</u>	<u>284</u>

The details of the principal subsidiary at 31 December 1999 are as follows:

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

7 Debtors	1999 IR£'000	1998 IR£'000
Amounts owed by group undertakings	<u>562</u>	<u>392</u>

8 Creditors (amounts falling due within one year)	1999 IR£'000	1998 IR£'000
Accruals	<u>7</u>	<u>7</u>
Amounts owed to group undertakings	<u>170</u>	<u>-</u>
	<u>177</u>	<u>7</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

9 Called up share capital	1999 Stg£'000	1998 Stg£'000
Authorised:		
289,237 ordinary shares of Stg£1 each	289	289
300,000 10% cumulative redeemable participating preferred ordinary shares of Stg£1 each	300	300
2,100,000 10% cumulative redeemable preference shares of Stg£0.25 each	525	525
	<u>1,114</u>	<u>1,114</u>
Issued, allotted and called up		
288,237 ordinary shares of Stg£1 each	288	288
300,000 10% cumulative redeemable participating preferred ordinary shares of Stg£1 each	300	300
	<u>588</u>	<u>588</u>
Converted to Irish pounds (IR£'000)	<u>596</u>	<u>596</u>

The rights attaching to the shares are as follows:

The ordinary shares and cumulative redeemable participating preferred ordinary shares ("CRPPO") rank pari passu 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 and have an additional entitlement to dividends that amount to a specified share of ordinary profits commencing with a share of profits for the year ending 31 January 1997.

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.

10 Reconciliation of movement on equity shareholders' funds	1999 IR£'000	1998 IR£'000
Opening equity shareholders' funds	673	623
Total recognised gains for the period	1,170	2,050
Dividends (note 5)	<u>(1,170)</u>	<u>(2,000)</u>
Closing equity shareholders' funds	<u>673</u>	<u>673</u>

## 11 Approval of financial statements

The directors approved the financial statements on 28 March 2001.