

COMPANY REGISTRATION NUMBER 3131926

VILLAGE ROADSHOW THEATRES EUROPE LTD
FINANCIAL STATEMENTS
30 JUNE 2009



VILLAGE ROADSHOW THEATRES EUROPE LTD
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2009

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VILLAGE ROADSHOW THEATRES EUROPE LTD**DIRECTORS' REPORT****YEAR ENDED 30 JUNE 2009****Registration No: 3131926**

The directors present their report and the financial statements of the company for the year ended 30 June 2009.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company acts as a holding company. The company's result for the year was as expected.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the year end are shown in the attached financial statements. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The directors are of the opinion that the financial risk management objectives and policies of the company, are not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

The directors are also of the opinion that the exposure of the company to price risk, credit risk, liquidity risk and cash flow risk is well monitored and maintained at a satisfactory level.

DIRECTORS

The directors who served the company during the year and subsequently were as follows:

C M Aubrey

P E Foo (resigned 4 August 2009)

P F Garner

K Senior

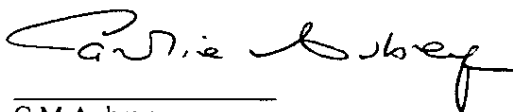
DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

In accordance with section 485 of the Companies Act 2006, a resolution to dispense with the obligation to appoint auditors annually was passed on 6 July 1998. Accordingly, Ernst & Young LLP will be deemed to be reappointed as auditors.

On behalf of the board



C M Aubrey

Director

11 December 2009

VILLAGE ROADSHOW THEATRES EUROPE LTD
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 30 JUNE 2009

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- 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 that 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 Companies Act 2006. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VILLAGE ROADSHOW THEATRES EUROPE LTD**

YEAR ENDED 30 JUNE 2009

We have audited the financial statements of Village Roadshow Theatres Europe Ltd for the year ended 30 June 2009, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VILLAGE ROADSHOW THEATRES EUROPE LTD**

YEAR ENDED 30 JUNE 2009

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Michael Wansbury, (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

15 DEC 2009

VILLAGE ROADSHOW THEATRES EUROPE LTD
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2009

	Note	2009 £	2008 £
TURNOVER	2	–	–
Administrative expenses		(1,807)	(25,016)
OPERATING LOSS	3	(1,807)	(25,016)
Interest receivable		62	111
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,745)	(24,905)
Tax on loss on ordinary activities	5	–	–
LOSS FOR THE FINANCIAL YEAR		(1,745)	(24,905)

All of the activities of the company are classed as continuing.

Statement of total recognised gains and losses

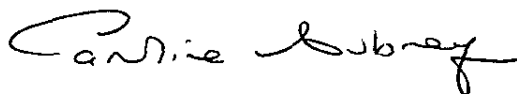
There are no recognised gains or losses other than the loss of £1,745 attributable to the shareholders for the year ended 30 June 2009 (2008 - loss of £24,905).

VILLAGE ROADSHOW THEATRES EUROPE LTD
(COMPANY REGISTRATION NUMBER 3131926)

BALANCE SHEET

30 JUNE 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Investments	6	4	4
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	7	8,661,764	12,879,614
Cash at bank		—	7,931
		<u>8,661,764</u>	<u>12,887,545</u>
CREDITORS: amounts falling due within one year	8	<u>9,203,407</u>	<u>13,427,443</u>
NET CURRENT LIABILITIES		<u>(541,643)</u>	<u>(539,898)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(541,639)</u>	<u>(539,894)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	2	2
Profit and loss account	10	(541,641)	(539,896)
SHAREHOLDERS' FUNDS	10	<u>(541,639)</u>	<u>(539,894)</u>



C M Aubrey
Director
11 December 2009

VILLAGE ROADSHOW THEATRES EUROPE LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2009

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared on a going concern basis on the assumption that both the parent and ultimate parent undertakings will continue to provide adequate financial support to enable the company to meet its liabilities as and when they fall due. The directors have no reason to believe that this financial support will not continue in the future, and consider it appropriate to adopt a going concern basis. The financial statements do not contain any adjustments that would be necessary should this basis not be appropriate.

Consolidated financial statements

Group financial statements have not been prepared as the company, under section 383 of the Companies Act 2006, is small and heads a small sized group. These financial statements, therefore, present information about the company as an individual undertaking and not about its group.

Associates

Entities in which the company holds a participating interest and over whose operating and financial policies the company exercises a significant influence are treated as associates. The company's share of the results of non-incorporated ventures is recognised when received

Cash flow statement

A statement of cash flows has not been prepared as the company is a wholly owned subsidiary of another company whose consolidated financial statements, in which the company is included, are publicly available.

Investments

Investments are stated at cost, less any provision for impairment in value. The carrying values of investment are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

VILLAGE ROADSHOW THEATRES EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. TURNOVER

Turnover represents the amounts derived from the provision of consultancy services which fall within the company's ordinary continuing activities, stated net of value added tax. An analysis of turnover by geographical segment has not been given as the amount is not material.

3. OPERATING LOSS

Operating loss is stated after charging:

	2009 £	2008 £
Directors' emoluments	—	—
Auditor's remuneration - as auditor	—	22,000

The auditor's remuneration in 2009 has been borne by another group undertaking.

4. STAFF COSTS

There were no employees other than the directors during the year (2008 - none).

5. TAXATION ON ORDINARY ACTIVITIES

(a) Factors affecting current tax charge

The standard rate of current tax for the year, based on the UK standard rate of tax is 28% (2008-29.5%). A reconciliation of the current tax charge for the year to the tax at the standard rate is set out below:

	2009 £	2008 £
Loss on ordinary activities before taxation	(1,745)	(24,905)
Corporation tax at 28% (2008: 29.5%)	(489)	(7,347)
<i>Effects of:</i>		
Group relief surrendered for nil consideration	489	7,347
Total current tax	—	—

(b) Factors that may affect future tax charges

The company has not provided for deferred tax assets on other timing differences during the year. By agreement with other companies in the group, the company has obligations to surrender tax losses for nil consideration and is entitled to claim group relief for nil consideration. Therefore no deferred tax asset is recognised.

VILLAGE ROADSHOW THEATRES EUROPE LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2009

6. INVESTMENTS

	Subsidiary Undertakings £
COST	
At 1 July 2008 and 30 June 2009	<u>4</u>
NET BOOK VALUE	
At 30 June 2009	<u>4</u>
At 30 June 2008	<u>4</u>

No investments are listed.

Details of investments in which the company holds at least 20% of the voting rights are as follows:

Name of subsidiary undertaking	Proportion of voting rights and ordinary shares held	Nature of business
Village Roadshow Exhibition UK Limited	100%	Non-operating
Village Roadshow Cinemas UK Limited	100%	Non-operating

Financial information relevant to the subsidiary undertakings whose year end is 30 June (2008 – 30 June) is as follows:

	2009 £	2008 £
Aggregate capital and reserves		
Village Roadshow Exhibition UK Limited	725,706	725,706
Village Roadshow Cinemas UK Limited	<u>(2,275,786)</u>	<u>(2,275,786)</u>
Profit/(loss) for the year		
Village Roadshow Exhibition UK Limited	–	–
Village Roadshow Cinemas UK Limited	<u>–</u>	<u>–</u>

7. DEBTORS

	2009 £	2008 £
Amounts owed by group undertakings	<u>8,661,764</u>	<u>12,879,614</u>

The debtors above all fall due after more than one year:

VILLAGE ROADSHOW THEATRES EUROPE LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2009

8. CREDITORS: amounts falling due within one year

	2009 £	2008 £
VAT	—	157
Accruals and deferred income	1,541,190	1,541,190
Amounts owed to group undertakings	7,662,217	11,886,096
	<u>9,203,407</u>	<u>13,427,443</u>

9. SHARE CAPITAL**Authorised share capital:**

	2009 £	2008 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2009 No	£	2008 No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 30 June 2007	2	(514,991)	(514,989)
Loss for the year	—	(24,905)	(24,905)
At 30 June 2008	2	(539,896)	(539,894)
Loss for the year	—	(1,745)	(1,745)
At 30 June 2009	<u>2</u>	<u>(541,641)</u>	<u>(541,639)</u>

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 not to disclose related party transactions with other group undertakings as it is a wholly owned subsidiary of another company whose consolidated financial statements, in which the company is included, are publicly available.

12. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Village Cinemas International Proprietary Limited, a company incorporated in Australia. The directors consider the ultimate parent undertaking and controlling party to be Positive Investments Proprietary Limited, a company incorporated in Australia.

The parent undertaking of the largest and smallest group for which group financial statements are drawn up is Village Roadshow Limited, a company incorporated in Australia. Copies of the consolidated financial statements are available from the Secretary, Village Roadshow Limited, Warner Roadshow Studios, Pacific Highway, Oxenford, Queensland 4210, Australia.