Report & Financial Statements

For the year ended 31 December 2008

Screenvision Group (Europe) Limited

Registered Number: 4449499

SCREENVISION GROUP (EUROPE) LIMITED

CONTENTS

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS:	Andrew Garard Jeremy Sharp
REGISTERED OFFICE:	The London Television Centre Upper Ground London SE1 9LT
AUDITORS:	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2008. The comparatives are for the year ended 31 December 2007.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company is engaged in investment activities.

The loss for the year amounted to €6,704,586 (2007: loss of €25,282,522). This loss relates primarily to impairment charges on the Company's Fixed Asset Investments.

Finance costs have increased compared to 2007 due to the increase in the average interest rate from 4.8% to 5.8%.

The €3,700,000 increase in investment value in 2008 relates to the increase in share capital in Screenvision Belgium SA though this investment was impaired in the period.

The current economic and market environment is challenging and the company's sole remaining trading subsidiary, Screenvision Portugal SA, continues to make losses. However, the contract that is the main cause of these losses expires in December 2009. Attention is brought to the following section on "Post Balance Sheet Events".

POST BALANCE SHEET EVENTS

On 17th March 2009, a decision was taken by the Company as Sole Shareholder of Screenvision Spain SA to place the company into a solvent liquidation process. At the date of this report the process has been substantially completed in a satisfactory manner.

On 14 April 2009, both shareholders of the company Technicolor Holdings Limited and DTV Limited participated in a further rights issue by the Company, each subscribing for 1 ordinary share at a subscription price of €1 million each.
The Company's immediate parent undertaking participated in turn in a rights issue by the Company, subscribing for 1 ordinary share at €1,500,000 each.

On 16th July 2009 the Group disposed of 100% of its shares in Screenvision Belgium SA to Het Witingerhof SPRL for a nominal sum. No residual risk or contingent exposure remains with regard to this investment.

On 31st July 2009 the Group disposed of its 62.5% shareholding in Nordic Media Link AB for a cash consideration of €400,000. No residual risk or contingent exposure remains with regard to this investment.

DIVIDENDS

The directors do not propose a dividend for the year (2007: €Nil).

DIRECTORS' REPORT (continued)

CAPITAL INCREASE

On 17 December 2008, the immediate parent company, Screenvision Holdings (Europe) Limited subscribed in cash to a capital increase of €3,700,000 in Screenvision Group (Europe) Limited.

FINANCIAL INSTRUMENTS

The Company's principal financial instruments include financial assets and liabilities such as trade receivables, trade payables and borrowings arising from its operations. The Company is not exposed to material risk on the assessment of the assets, liabilities, financial position and profit or loss of the company and its subsidiary undertakings.

Liquidity risk

The Company is funded by share capital and through an intercompany account with Screenvision SAS (ex-Screenvision Finance SAS), a fellow group undertaking. In addition, the Company has a borrowing of €2,560,749 from Screenvision Holdings (Europe) Limited ("SHE"), the immediate parent undertaking.

Interest rate risk

The Company is exposed to interest rate variation but does not use interest rate derivatives. Interest charge is mainly relating to an inter company loan with the parent company.

GOING CONCERN

Screenvision Group (Europe) Ltd's only costs, beyond the funding requirements of its subsidiaries, are consultant and audit fees. The directors confirm that after making the enquiries of the management of Screenvision SAS that this company will not request payment of the €7.1m receivable due to them by RMB Italia Srl and RMB Italia SpA., whose payment is guaranteed by the Company, in the 12 months from the date of signing of the accounts.

Considering this confirmation, the Company's funding requirements, the confirmation of Screenvision Holdings (Europe) Limited and Screenvision SAS that they will not ask repayment of the loans due to them in the 12 months from the date of approval of these financial statements, and the amount of cash available at the date of signing these financial statements after the €1,500,000 share capital increase on 14 April 2009, the directors believe that the company will be able to meet its liabilities as they fall due for the next 12 months.

In determining the above funding requirements, the directors have also assessed the risks relating to the activity of Screenvision Portugal SA (being the only subsidiary that is still operating).

DIRECTORS' REPORT (continued)

CREDITOR PAYMENT POLICY

The Company's policy in relation to all its suppliers is to settle the terms of payment when agreeing the contractual terms and to abide by those terms provided that the supplier has provided the goods and services concerned. Trade creditor days of the Company at 31 December 2008 were 194 days (2007: 115 days), based on the ratio of the Company trade creditors at the year end to the amount invoiced during the year by trade creditors.

DIRECTORS

The directors of the Company who served during the year were as follows:

Jeremy Sharp (appointed on 9 April 2009)
Andrew Garard (appointed on 15 May 2009)
J B St John Tibbitts (resigned on 5 February 2009)

DIRECTORS' INDEMNITY INSURANCE

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by then as offices or employees of the Company.

Appropriate directors' and officers' liability insurance cover has been in place in respect of all of the Company's directors through the year ended 31 December 2008 until the date of this Directors' report.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of this information.

AUDITORS

The Company has passed Elective Resolutions to dispense with the laying of the Annual Report and Financial Statements before the Company in General Meeting, the appointment of auditors annually and the holding of Annual General Meeting, paramount to sections 252, 386 and 366lA respectively of the Company Act 1985.

Approved by the board on 5 NOV 2009 and signed on its behalf by

Jeremy Sharp

Jeremy Sharp
Director
200 Gray's Inn Road
London WC1X 8HF

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and regulations and International Financial Reporting Standards as adopted for use in the European Union.

Company law requires the directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 maintaining proper accounting records 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF SCREENVISION GROUP (EUROPE) LIMITED

We have audited the financial statements of Screenvision Group (Europe) Limited for the year ended 31 December 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to it 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 member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 with the company is not disclosed.
We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement 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 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 MEMBER OF SCREENVISION GROUP (EUROPE) LIMITED (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRS as adopted by European Union, of the state of the Company's affairs as at 31 December 2008 and of the Company's loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Mazars LLP

Mazars LLP
CHARTERED ACCOUNTANTS
and Registered Auditors
Tower Bridge House
St Katharine's Way
London E1W 1DD

5 November 2009

INCOME STATEMENT
For the year ended 31 December 2008

	Notes	2008 €	2007 €
Continuing Operations			
Administrative expenses		(35,687)	(150,500)
Expenses of winding up investments	4	(1,145,283)	(244,987)
Operating loss	5	(1,180,970)	(395,487)
Impairment of investments	8(b)	(5,251,479)	(23,809,901)
Provision for commitments given to subsidiaries	14	-	(861,402)
Finance income	6	4,188	13,419
Finance costs	6	(276,325)	(229,151)
Loss before taxation		(6,704,586)	(25,282,522)
Taxation	7	-	-
Loss for the year attributable to the Equity holders		(6,704,586)	(25,282,522)

BALANCE SHEET as at 31 December 2008

	Notes	2008 €	2007 €
ASSETS			
Non-current assets			
Investments	8	400,000	1,951,479
Current assets			
Other receivables	9,12	256,949	437,582
Total assets		656,949	2,389,061
LIABILITIES			
Current liabilities			
Trade and other payables	10,13	(19,985)	(50,090)
Financial liabilities	11,13	(5,213,769)	(4,622,033)
		(5,233,754)	(4,672,123)
Non-current liabilities			
Provisions	14	(7,687,066)	(6,976,223)
Total liabilities		(12,920,820)	(11,648,346)
Net liabilities		(12,263,871)	(9,259,285)
Equity			
Share capital	15	44,060,001	40,360,001
Retained earnings		(56,323,872)	(49,619,286)
Total shareholders' funds		(12,263,871)	(9,259,285)

The financial statements were approved and authorised for issue by the Board of Directors on 5 November 2009

Jeremy Sharp

Jeremy Sharp
Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2008

	Share capital	Retained earnings	Total
	€	€	€
At 1 January 2007	40,360,001	(24,336,764)	16,023,237
Loss for the financial year	-	(25,282,522)	(25,282,522)
At 31 December 2007	40,360,001	(49,619,286)	(9,259,285)
Loss for the financial year	-	(6,704,586)	(6,704,586)
Issue of equity shares	3,700,000	-	3,700,000
At 31 December 2008	44,060,001	(56,323,872)	(12,263,871)

STATEMENT OF CASH FLOWS
For the year ended 31 December 2008

	2008 €	2007 €
Cash flows from operating activities		
Loss from operations	(6,704,586)	(25,282,522)
Adjustments for:		
Impairment of investments	5,251,479	23,809,901
Increase in provisions	710,843	861,402
Operating cash flows before movement in working capital	(742,264)	(611,219)
Decrease/ (increase) in receivables	180,633	(181,324)
Decrease in payables	(30,105)	(51,388)
Net cash used in operating activities	(591,736)	(843,931)
INVESTING ACTIVITY		
Acquisition of subsidiary, representing net cash used in investing activity	(3,700,000)	-
FINANCING ACTIVITY		
Proceeds from issue of share capital	3,700,000	-
Increase of group borrowings, representing net cash from financing activity	591,107	1,023,304
Net (decrease)/ increase in cash and cash equivalents	**(629)**	**179,373**
Cash and cash equivalents at beginning of year	**(618)**	**(179,991)**
Cash and cash equivalents at end of year	**(1,247)**	**(618)**

Cash and cash equivalents at year end comprise of:

	2008 €	2007 €
Bank overdraft (Note 11)	(1,247)	(618)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

1. GENERAL INFORMATION

The Company is incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is given on page 1. The nature of the Company's operations and principal activities are set out in the directors' report.

2. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted for use in the European Union.

The financial statements have been prepared on the historical cost basis and on a going concern basis. Please refer to Note 3 for details regarding the assessment of going concern.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

New/Revised IFRSs and Interpretations		Effective annual periods beginning on or after
IFRS 2	*Share-based Payment – Amendment relating to vesting conditions and cancellations*	1 January 2009
IFRS 3	*Business Combinations – Comprehensive revision on applying the acquisition method*	1 July 2009
IFRS 8	*Operating Segments*	1 January 2009
IAS 1	*Presentation of Financial Statements – Amendment to add disclosure about an entity's capital*	1 July 2009
IAS 1	*Presentation of Financial Statements – comprehensive revision including requiring statement of comprehensive income and amendment relating to disclosure of puttable instruments and obligations arising on liquidation*	1 January 2009
IAS 23	*Borrowing costs – Comprehensive revision to prohibit immediate expensing*	1 January 2009
IAS 27	*Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRS 3*	1 July 2009
IAS 27	*Consolidated and Separate Financial Statements – Amendment relating to cost of an investment on first- time adoption*	1 January 2009

2. ACCOUNTING POLICIES (continued)

(a) Basis of accounting (continued)

New/Revised IFRSs and Interpretations		Effective annual periods beginning on or after
IAS 28	*Investment in Associates - Consequential amendments arising from amendments to IFRS 3*	1 July 2009
IAS 31	*Interests in Joint Ventures - Consequential amendments arising from amendments to IFRS 3*	1 July 2009
IAS 32	*Financial Instruments: Presentation - Amendments relating to puttable instruments and obligation arising on liquidation*	1 January 2009
IAS 39	*Financial Instruments: Recognition and Measurements - Amendments for eligible hedged items*	1 July 2009
IFRIC 11	*IFRS 2: Group and Treasury Share Transactions*	1 March 2007
IFRIC 12	*Service Concession Arrangements*	1 January 2008
IFRIC 13	*Customer Loyalty Programmes*	1 July 2008
IFRIC 14	*IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interactions*	1 January 2008
IFRIC 15	*Agreements for the Construction of Real Estate*	1 January 2009
IFRIC 16	*Hedges of a Net Investment in a Foreign Operation*	1 October 2008

The directors do not consider that the adoption of the amendments resulting from the May 2008 Annual Improvements project will not result in a material impact on the financial information of the Company. These amendments are effective for accounting periods beginning on or after 1 January 2009, with the exception of the amendment to IFRS 5 which is effective for accounting periods beginning on or after 1 July 2009.

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

The principal accounting policies of the Company are set out below.

(b) Foreign currency

The results and financial position are expressed in Euros, which is the functional currency of the Company.

Transactions in foreign currencies are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into euros at the financial year end exchange rates. All differences are taken to the profit and loss account.

2. ACCOUNTING POLICIES (continued)

(c) Consolidated financial statements

In accordance with section 228 of the Companies Act 1985, the Company is exempt from preparing consolidated financial statements as the Company is a wholly owned subsidiary of Screenvision Holdings (Europe) Limited, which is registered in England and Wales. The Company is included in the consolidated financial statements of Screenvision Holdings (Europe) Limited. Consequently, these financial statements only disclose information about the Company and not about its group.

(d) Investments

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

The carrying value of fixed assets investments are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where the impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

(e) Other receivables

Other receivables are measured at initial recognition at fair value, and are subsequently measures at amortised costs using the effective interest rate method.

Other receivables are assessed periodically to detect any recoverability issues. Specific bad debts provisions are booked against any debt considered irrecoverable.

(f) Cash & cash equivalents

Cash and cash equivalents comprise cash on hand and on demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

2. ACCOUNTING POLICIES (continued)

(g) Trade and other payables

Trade and other payables are measured at initial recognition at fair value, and are subsequently measures at amortised costs using the effective interest rate method.

Trade payables are due to vendors in respect of operating expenses. Payables are recorded according to the terms negotiated with them.

(h) Borrowings

Borrowings inclusive of interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

(i) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

(j) Taxation

The tax expense represents the sum of the tax currently payable and movement in deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Determination of deferred tax is based on a balance sheet approach. When the carrying value of an asset is higher than tax value or the carrying value of a liability is lower than tax value then a deferred tax liability must be recorded. When the carrying value of an asset is lower than tax value or the carrying value of a liability is higher than tax value then a deferred tax asset must be recorded.

Deferred taxes include not only current tax situations but also potential tax situations (where operations would lead to future tax expense or revenue if certain conditions are met of if certain decisions are taken). A deferred tax asset is recognised only if it is probable that taxable profits will be available to enable the asset to be recovered. Tax is calculated according to the current rate of corporation tax.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2008 (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised on the financial statements:

Going concern and impairment of assets

As described in the directors' report on page 2 the current economic and market environment is challenging and the Company continues to make losses. The directors consider that the outlook presents significant challenges in all territories in terms of advertising revenue.

Screenvision Group (Europe) Ltd's only costs, beyond the funding requirements of its subsidiaries, are consultant and audit fees. Considering these funding requirements, the confirmation of financial support received from fellow group undertakings and the amount of cash available at the date of signing these financial statements, the directors believe that the company will be able to meet its liabilities as they fall due for the next 12 months.

In determining the above funding requirements, the directors have also assessed the risks relating to the activity of Screenvision Portugal SA (being the only subsidiary that is still operating).

The company's immediate parent and group undertaking have agreed not to seek repayment of their outstanding loans and interest until the future of the group is more certain.

The directors believe that without an improvement in the advertising environment and a reduction of payment to exhibitors that certain of the company's subsidiaries will not generate positive cash flows over the next five years. Accordingly the company has reduced the carrying value of its investment in these subsidiaries to €400,000.

Accounting for provision and contingencies

A provision can be recognised only if the liability is of uncertain timing or amount, if the obligation comes from past events and not from uncertain future events, if the amount can be reasonably estimated and if a cash out can be reasonably expected. The provision set out in the accounts is based on the best estimate of the liquidation costs in relation to RMB Italia Srl, RMB Italia Spa, Screenvision Slovakia Sro, Screenvision Czech Sro and Screenvision Netherlands BV.

4. EXPENSES OF WINDING UP INVESTMENTS

	2008 €	2007 €
Legal fees relating to termination of business in Italy	1,145,283	244,987

NOTES TO THE ACCOUNTS
For the year ended 31 December 2008 (continued)

5. OPERATING LOSS

This is stated after charging:

	2008 €	2007 €
Fees payable to the Company's auditor for the audit of the Company's annual accounts	-	-
Consulting services regarding Eastern Europe Business	(878)	115,135
Reversal of provision of foreign exchange losses	1,875	-

Audit fees are borne by the parent undertaking.

The Company had no employees during the year and no staff costs were incurred (2007: Nil).

None of the directors received remuneration from the Company or its subsidiaries for their services to the company for the year ended 31 December 2008 (2007: Nil).

6. FINANCE INCOME AND COSTS

	2008 €	2007 €
Interest receivable from fellow subsidiary undertakings	4,188	13,419
Interest payable to fellow group undertaking	(276,106)	(229,151)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008 (continued)

7. Taxation

(a) Recognised in the income statement

	2008 €	2007 €
Current tax:		
UK corporation tax	-	-
Current tax for the year	-	-
Deferred tax	-	-
	-	-

(b) Factors affecting current tax for the year

Tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 28% (2007: 30%). The differences are reconciled below:

	2008 €	2007 €
Loss on ordinary activities before tax	(6,704,586)	(25,282,522)
Loss on ordinary activities multiplied by standard rate of UK corporation tax of 28%	(1,910,807)	(7,584,757)
Tax effect of expenses not deductible/(income not taxable)	1,800,277	7,520,037
Deferred tax movement not recognised in respect of tax losses	71,607	60,405
Changes in future standard corporate tax rate applicable on unwinding of unrecognised tax losses	-	-
Impact of exchange rate fluctuations on deferred tax balance not recognised on tax loss	36,983	4,315
Impact of change in the standard rate of tax	1,940	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008 (continued)

7. Taxation (continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following item:

	2008 €	2007 €
Tax losses carried forward	2,682,312	2,426,571
Deferred tax assets at 28%	751,047	679,440

Deferred tax assets on tax losses have not been recognised because it is not probable that future profits will be available against which the Company can utilise these losses.

8. INVESTMENTS

Shares in subsidiary undertakings	2008 €	2007 €
Cost:		
At 1 January	41,458,410	41,049,798
Additions	3,700,000	408,612
At 31 December	45,158,410	41,458,410
Amounts provided:		
At 1 January	(39,506,931)	(15,697,030)
Impairment	(5,251,479)	(23,809,901)
At 31 December	(44,758,410)	(39,506,931)
Net book value:		
At 31 December	400,000	1,951,479

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008 (continued)

8. INVESTMENTS (continued)

(a) Investments in subsidiary and joint venture undertakings

As at 31 December 2008, the Company has the following subsidiaries and joint ventures:

	% of nominal value of issued ordinary shares held	Country of incorporation or registration	Activity
Subsidiary			
Screenvision Belgium SA	100%	Belgium	Cinema Advertising
Screenvision Spain SA	100%	Spain	Cinema Advertising
Screenvision Netherlands BV	100%	Netherlands	Cinema Advertising
Screenvision Portugal SA	100%	Portugal	Cinema Advertising
Screenvision Czech Sro	100%	Czech Republic	Cinema Advertising
Screenvision Slovakia Sro	100%	Slovakia	Cinema Advertising
Nordic Media Link AB	62.50%	Sweden	Holding company
Screenvision Finland OY*	62.50%	Finland	Cinema Advertising
Joint venture			
Dansk Reklame*	31.25%	Denmark	Cinema Advertising

Those investments marked * are indirectly held.

Acquisition and disposals in 2008
The increase in investment value in 2008 relates to the increase in share capital in Screenvision Belgium SA though this investment was impaired in the period.

In December 2008, the Board of Directors of the Company decided to terminate the operation of Screenvision Spain.

(b) Impairment

As set out in Note 3, the current economic and market environment is challenging and the company's sole remaining trading subsidiary, Screenvision Portugal SA, continues to make losses. However, the contract that is the main cause of these losses expires in December 2009. Accordingly the company has reduced the carrying value of its investment in these subsidiaries to €400,000 representing the cash consideration received after the balance sheet date for the sale of its shares in Nordic Media Link AB (see Note 17).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008 (continued)

9. OTHER RECEIVABLES

	2008 €	2007 €
Amounts owed by subsidiary undertakings	250,343	429,270
Other debtors	6,606	8,312
	256,949	437,582

The directors consider that the carrying amount of other receivables approximates their fair value.

10. TRADE AND OTHER PAYABLES

	2008 €	2007 €
Trade payables	616	22,513
Other payables	19,369	27,577
	19,985	50,090

The directors consider that the carrying amount of trade and other payables approximates their fair value.

The average credit period taken on payables is 194 days (2007: 115 days).

11. FINANCIAL INSTRUMENTS

The objectives of the Company's treasury activities are to manage financial risk minimise adverse effects of fluctuations in the financial markets on the value of the Company's financial assets and liabilities and to ensure that the working capital requirements fit the needs of ongoing business.

a) Interest rate risk

The Company's policy is to manage interest rate risks and to maximise its return from its cash balances.

The Company's main interest risk is to variable rates on group borrowings.

The amount of cash held on year end at variable interest rates is not material, therefore sensitivity analysis is not deemed necessary.

11. FINANCIAL INSTRUMENTS (continued)

a) Interest rate risk (continued)

The following table illustrates the sensitivity of the Group's borrowings on variable interest rates on profit for the year to a reasonably possible change in interest rates, with effect from the beginning of the year. These changes are considered if the current market interest changes by 1%.

	Effect on profit before tax			
	100 basis point increase		100 basis point decrease	
	2008	**2007**	**2008**	**2007**
	€	**€**	**€**	**€**
Group borrowings	(52,125)	(46,214)	52,125	46,214

Financial liabilities

	2008	**2007**
	€	**€**
Amounts owed to group undertakings	2,651,773	2,207,638
Amounts owed to immediate parent undertaking	2,560,749	2,413,777
Bank overdraft	1,247	618
	5,213,769	4,622,033

The directors consider that the carrying amount of financial liabilities approximates their fair value. All financial liabilities are due within one year.

The weighted average interests paid were as follow:

	2008	**2007**
	%	**%**
Amounts owed to group undertakings	5.791%	4.8%
Amounts owed to immediate parent undertaking	5.791%	4.8%
Bank overdraft	Nil	Nil

b) Liquidity risk

The Company manages its cash and borrowing requirements centrally through Screenvision SAS, a Group finance company. The Company manages its cash and borrowing requirements internally to maximize interest income and minimize interest expense, whilst endeavouring to ensure that the Company has sufficient liquid resources to meet the operating needs of its businesses.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008 (continued)

12. FINANCIAL ASSETS BY CATEGORY

	2008 €	2007 €
Current assets		
Loans and receivables measured at amortised cost		
- Other receivables	256,949	437,582

The directors consider that the carrying amount of the financial assets approximates their fair value.

13. FINANCIAL LIABILITIES BY CATEGORY

	2008 €	2007 €
Current liabilities		
Other financial instruments measured at amortised cost		
- Trade and other payables	19,985	50,090
- Financial liabilities	5,213,769	4,622,033

The directors consider that the carrying amount of the financial liabilities approximates their fair value.

14. PROVISIONS

	Commitments given to subsidiaries in liquidation €	Total €
At 1 January 2007	6,114,821	6,114,821
Additions of provisions	861,402	861,402
At 1 January 2008	6,976,223	6,976,223
Additions of provisions	897,000	897,000
Reversal of provisions	(186,157)	(186,157)
At 31 December 2008	7,687,066	7,687,066

The opening provision and additions of provisions in 2008 relate to losses expected to arise in connection with the liquidation of RMB Italia Srl and RMB Italia Spa.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2008 (continued)

In 2007, the Board of Directors of the Company decided to terminate the operation of Screenvision Slovakia Sro, Screenvision Czech Sro and Screenvision Netherlands BV and to enter into a solvent liquidation process with a resulting cost to the Company of €861,402.

In 2008, the reversal of €186,157 is the payment of consulting fees for Screenvision Slovakia Sro, Screenvision Czech Sro, RMB Italia Srl and RMB Italia Spa.

15. SHARE CAPITAL

	2008 €	2007 €
Authorised:		
100,000,000 of ordinary shares of €1 each	100,000,000	100,000,000
Allotted, called up and fully paid:		
44,060,001 ordinary shares of €1 each	44,060,001	40,360,001

16. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Screenvision Holdings (Europe) Limited, whose consolidated financial statements, are available from the Company Secretary, 200 Gray's Inn Road, London, WC1X 8HF.

The immediate parent undertaking is jointly owned by DTV Limited, a subsidiary of ITV plc, and Technicolor Holdings Limited, a subsidiary of Thomson SA, each holding 50%. The ultimate joint parent undertakings of the company are therefore ITV plc and Thomson SA.

Copies of the financial statements of ITV plc can be obtained from the Company Secretary, ITV plc at The London Television Centre, Upper Ground, London SE1 9LT. Copies of the accounts of Thomson SA can be obtained from the Company Secretary at 46 Quai Alphonse Le Gallo, 92648 Boulogne-Billancourt, France.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2008 (continued)

17. POST BALANCE SHEET EVENTS

On 17th March 2009, a decision was taken by the Company as Sole Shareholder of Screenvision Spain SA to place the company into a solvent liquidation process. At the date of this report the process has been substantially completed in a satisfactory manner.

On 14 April 2009, both shareholders of the company Technicolor Holdings Limited and DTV Limited participated in a further rights issue by the Company, each subscribing for 1 ordinary share at a subscription price of €1 million each.
The Company's immediate parent undertaking participated in turn in a rights issue by the Company, subscribing for 1 ordinary share at €1,500,000 each.

On 16th July 2009 the Group disposed of 100% of its shares in Screenvision Belgium SA to Het Witingerhof SPRL for a nominal sum. No residual risk or contingent exposure remains with regard to this investment.

On 31st July 2009 the Group disposed of its 62.5% shareholding in Nordic Media Link AB for a cash consideration of €400,000. No residual risk or contingent exposure remains with regard to this investment.