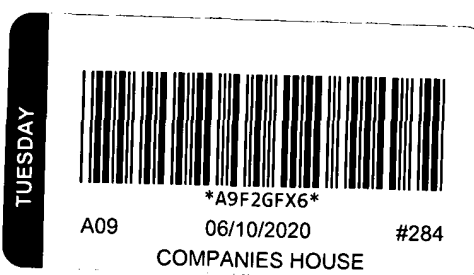


Edge Loyalty Europe Limited

Report and Financial Statements

Year ended 30 June 2019

Registration No. 09950616



Company Information

Directors

C M Aubrey
P F Garner
E C Morley
S T Phillipson

Company number

09950616

Auditor

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Registered office

Priory House
Pilgrims Court
Sydenham Road
Guildford
Surrey
GU1 3RX

Directors' report

The directors present their report and the audited financial statements for Edge Loyalty Europe Limited (the "Company") for the year ended 30 June 2019.

Results and dividends

The Company generated a loss for the year of £670 (2018: £271,401). The directors do not recommend a dividend (2018: £Nil).

Principal activity

The Company is non-trading. During the prior year the Company ceased active operations and began to wind down its activities. The directors envisage the Company will become dormant once the wind down activities are completed.

Directors

The directors who served the Company during the year and up to the date of approval of the financial statements were as follows:

C M Aubrey
P F Garner
E C Morley
S T Phillipson
N J Sims (resigned 20 December 2018)

Going concern

The financial statements have been prepared on a going concern basis on the assumption that other Village Roadshow Limited group ("VRL group") companies will continue to provide adequate financial support to the Company to enable it to meet its liabilities as and when they fall due.

The directors have considered the ability of other VRL group companies to provide such support and have received confirmation that the support will be provided for a period of no less than 12 months from the date of approval of these financial statements. However the impact of coronavirus ("COVID-19") and the uncertainty over the VRL group's ability to complete a capital raise which the VRL group has undertaken to its lenders as part of its additional funding secured in August 2020, indicates a material uncertainty exists that may cast significant doubt on the VRL group's operation as a going concern. The directors of the Company recognise that it is reliant on the financial support from VRL group companies and have concluded that there is also a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern. Notwithstanding this uncertainty, the directors of the Company have confidence in the VRL group's ability to continue as a going concern now that the VRL group has additional funding in place, providing sufficient funding for the foreseeable future. The directors therefore consider it appropriate to adopt a going concern basis. The financial statements do not contain the adjustments that would result if the Company was unable to continue as a going concern. Should support not be made available to the Company, the going concern basis used in preparing the Company's financial statements would be invalid and adjustments would have to be made to reduce the value of assets to their realisable amount, to provide for any further liabilities which might arise and to reclassify fixed assets as current assets.

Refer to note 1 in the financial statements for further information as to the impact of COVID-19 on the Company and the adoption of the going concern assumption.

Disclosure of information to the auditor

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.


Directors' report (continued)

Small Companies' exemption

In preparing this directors' report, the directors have taken advantage of the small companies exemption under Section 415(A) of the Companies Act 2006.

The directors have taken advantage of the small companies' exemption under section 414B in relation to preparation of a strategic report.

On behalf of the board



P F Garner

Director

2 October 2020

Directors' responsibilities statement

The directors are responsible for preparing the directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 judgements and accounting 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 Edge Loyalty Europe Limited

Opinion

We have audited the financial statements of Edge Loyalty Europe Limited for the year ended 30 June 2019 which comprise the Statement of comprehensive income, Statement of changes in equity, Balance Sheet and the related notes 1 to 12 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2019 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements outlining that the Company relies on parent support and the parent has reported a material uncertainty relating to going concern in its most recent financial statements. As stated in note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Independent auditor's report

to the members of Edge Loyalty Europe Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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 auditor's 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.



Gordon Cullen (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
5 October 2020

Statement of comprehensive income

for the year ended 30 June 2019

	Notes	Year Ended 30 June 2019 £	Year Ended 30 June 2018 £
Revenue	3	6,673	152,677
Cost of sales		(18,115)	(145,546)
Gross (loss) profit		(11,442)	7,131
Administrative expenses		(14,050)	(278,532)
Loss before taxation	4	(25,492)	(271,401)
Taxation	6	24,822	-
Loss after taxation		(670)	(271,401)
Other comprehensive income		-	-
Total comprehensive loss for the year		(670)	(271,401)

Statement of changes in equity

for the year ended 30 June 2019

	<i>Share capital</i> £	<i>Retained losses</i> £	<i>Total</i> £
At 1 July 2017	5	(532,411)	(532,406)
Loss for the year	-	(271,401)	(271,401)
At 30 June 2018	5	(803,812)	(803,807)
Loss for the year	-	(670)	(670)
At 30 June 2019	5	(804,482)	(804,477)

Balance sheet

as at 30 June 2019

	Notes	30 June 2019 £	30 June 2018 £
Non-current assets			
Trade and other receivables	7	1	1
		<u>1</u>	<u>1</u>
Current assets			
Cash and cash equivalents		10,274	109,218
Trade and other receivables	7	35,416	171,212
		<u>45,690</u>	<u>280,430</u>
Creditors: amounts falling due within one year	8	(850,168)	(1,084,238)
Net current liabilities		<u>(804,478)</u>	<u>(803,808)</u>
Net liabilities		<u>(804,477)</u>	<u>(803,807)</u>
Capital and reserves			
Called up share capital	9	5	5
Retained losses		(804,482)	(803,812)
Shareholders' deficit		<u>(804,477)</u>	<u>(803,807)</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies under section 415(A).

The financial statements were approved by the Board of Directors and were signed on its behalf by:



P F Garner
Director
2 October 2020

Company registration number 09950616

Notes to the financial statements

at 30 June 2019

1. Principal accounting policies

Basis of preparation

The financial statements for Edge Loyalty Europe Limited (the "Company") for the year ended 30 June 2019 were authorised for issue by the board of directors on 2 October 2020 and the balance sheet was signed on the board's behalf by P F Garner. Edge Loyalty Europe Limited is incorporated and domiciled in England and Wales. The Company is a private limited company, limited by shares.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound.

These financial statements were prepared in accordance with Financial Reporting Standard 101, *Reduced Disclosure Framework* ("FRS101").

In preparing these financial statements the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards ("IFRS") as adopted by the European Union, but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS101 disclosure exemptions have been taken.

The Company's parent undertaking of the largest and smallest group of undertakings for which consolidated financial statements are drawn up that includes the Company, is the Village Roadshow Limited group ("VRL group" or "group"). The consolidated financial statements of the VRL group are prepared in accordance with IFRS and are available to the public (refer to note 10).

In these financial statements, the Company has applied the exemptions available under FRS101 in respect of the following disclosures:

- The requirement in paragraph 38 of IAS1, *Presentation of Financial Statements*, to present comparative information in respect of:
 - (a) Paragraph 79(a)(iv) of IAS1;
 - (b) Paragraph 73(e) of IAS16, *Property, Plant and Equipment*;
 - (c) Paragraph 118(e) of IAS38, *Intangible Assets*.
- The requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS1;
- The requirements of IAS7, *Statement of Cash Flows*;
- The requirements of paragraphs 30 and 31 of IAS8, *Accounting Policies, Changes in Accounting Estimates and Errors*;
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS15, *Revenue from Contracts with Customers*;
- The requirements of paragraph 17 of IAS24, *Related Party Disclosures*; and
- The requirements of paragraphs 130(f)(ii) and 130(f)(iii) of IAS36, *Impairment of Assets*.

As the consolidated financial statements of the VRL group include the equivalent disclosures, the Company has also taken the exemptions under FRS101 available in respect of the following disclosures:

- Certain disclosures required by paragraphs 91-99 of IFRS13, *Fair Value Measurement*; and
- The disclosure requirements required by IFRS7, *Financial Instruments: Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

New standards, amendments and IFRIC Interpretations

IFRS9, *Financial Instruments*, and IFRS15, *Revenue from Contracts with Customers*, are new accounting standards that are effective for the year ended 30 June 2019.

IFRS9, Financial Instruments

IFRS9 replaces IAS139: *Financial Instruments: Recognition and Measurement*, and includes a model for classification and measurement, a single, forward-looking "expected loss" impairment model.

The Company has adopted IFRS9 on the effective date of 1 July 2018. The Company has performed an impact assessment and there is no significant change to the measurement basis from adoption of the new classification and measurement model under IFRS9.

Notes to the financial statements (continued)

at 30 June 2019

1. Principal accounting policies (continued)

New standards, amendments and IFRIC interpretations (continued)

IFRS15, Revenue from Contracts with Customers

The Company has adopted IFRS15 retrospectively using the cumulative effect transition method at the date of initial application and therefore comparative information has not been restated and is presented as previously reported under IAS18 and related interpretations. Additionally, the disclosure requirements in IFRS15 have not been applied to comparative information. Under this transition method, IFRS15 has only been applied retrospectively to contracts that are not completed contracts at 1 July 2018. The Company has also applied the practical expedient for completed contracts on transition at 1 July 2018. Adoption of this new standard did not have any material impact on the financial position or performance of the Company.

Going concern

The financial statements have been prepared on a going concern basis on the assumption that other VRL group companies will continue to provide adequate financial support to the Company to enable it to meet its liabilities as and when they fall due. Whilst there remains uncertainty on the impact on the wider VRL group in respect of the impact of coronavirus ("COVID-19"), there has been no material impact on the Company as a result of COVID-19 given the Company has ceased trading. As at 30 June 2019, the Company had net liabilities of £804,477 (2018: £803,807) and net current liabilities of £804,478 (2018: £803,808).

The directors have no expectations to repay the £825,526 liability to related undertakings in the foreseeable future and have obtained confirmation that they will not seek repayment of the balance for a period of at least 12 months from the date of approval of the financial statements. The Company is not forecasting any material cash inflows or outflows for the foreseeable future, including for a period of at least 12 months from the date on which these financial statements are approved.

The directors have considered the ability of other VRL group companies to provide such support and have received confirmation that the support will be provided for a period of no less than 12 months from the date of approval of these financial statements. The VRL group has secured additional funding of A\$69.5 million in August 2020, and expects this additional funding will be sufficient to fund its cash needs for the next 12 months. As part of securing this additional funding, the VRL group has given an undertaking to its lenders to raise a minimum of A\$35 million through new shareholder equity or equity like instruments by February 2021. Whilst there is uncertainty around completing any capital raise at a future point in time to comply with the facilities condition, the VRL directors are confident that this will be achieved. The VRL group's cash flow and operating forecasts are based on assumptions regarding the existing trading environment in Australia, easing of COVID-19 restrictions and reopening of borders within Australia, based on conditions and reasonable expectations of the VRL directors. Outcomes may differ from those assumed by the VRL directors given the uncertain environment. Notwithstanding, the VRL directors consider that the VRL group is a going concern on the basis of the additional debt funding in place providing sufficient funding for the foreseeable future, and that future debt covenants are forecast to be met, based on the VRL group's cash flow and operating forecasts, but have disclosed a material uncertainty with respect to the capital raise.

The directors of the Company recognise that it is reliant on the financial support from VRL group companies and have concluded that the material uncertainty disclosed in the VRL group financial statements is a material uncertainty that casts significant doubt upon the Company's ability to as a going concern. Notwithstanding this uncertainty, the directors of the Company have confidence in the VRL group's ability as a going concern now that additional funding is in place. Therefore the directors consider that this supports the preparation of the financial statements on a going concern basis. The financial statements do not contain the adjustments that would result if the Company was unable to continue as a going concern. Should support not be made available to the Company, the going concern basis used in preparing the Company's financial statements would be invalid and adjustments would have to be made to reduce the value of assets to their realisable amount, to provide for any further liabilities which might arise and to reclassify fixed assets as current assets.

Notes to the financial statements (continued)

at 30 June 2019

1. Principal accounting policies (continued)

Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Rendering of services

Revenue from the rendering of services is recognised when control of a right to be compensated for the services has been attained and the performance obligation is satisfied, which owing to the nature of the service will typically occur on the same day the service is provided. Where services are yet to be rendered, amounts are recorded as unearned revenue.

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.

Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. Cash and cash equivalents include restricted client cash accounts which are used for payment of promotional rebates.

Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit and loss account net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Notes to the financial statements (continued)

at 30 June 2019

1. Principal accounting policies (continued)

Interest

Interest costs are accounted for on an accruals basis in the profit and loss account using the effective interest method.

Interest income is recognised as it accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for expected credit losses.

For trade receivables, the Company applies the simplified approach permitted under IFRS9, which requires expected lifetime losses to be recognised from initial recognition of receivables. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

Trade and other payables

Creditors are recognised at amounts to be paid in the future for goods and services already received, whether or not billed to the Company. They are non-interest bearing and are normally settled on 30-90 day terms.

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment in value.

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives as follows:

Computer equipment	33% straight line
--------------------	-------------------

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Capital work in progress is not depreciated.

Impairment

The carrying values of tangible fixed assets are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing fair value less costs of disposal, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the estimated price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

De-recognition and disposal

An item of fixed assets is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is de-recognised.

Notes to the financial statements (continued)

at 30 June 2019

1. Principal accounting policies (continued)

Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the nature of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

A summary of the policies applied to the Company's intangible assets is as follows:

Software

- Useful lives: Finite
- Amortisation method used: Amortised over estimated useful lives or 3 years
- Internally generated or acquired: Acquired
- Impairment testing: When an indication of impairment exists. The amortisation method is reviewed at each financial year-end.

2. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimate and assumption that has a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period is:

Impairment of trade and other receivables

The Company determines whether trade and other receivables are impaired. This requires an estimation of the recoverable amount of the trade and other receivables compared to their carrying value. There is uncertainty regarding customers who may not be able to pay as their invoices fall due. In reviewing the appropriateness of the provision for expected credit losses in respect of recoverability of trade and other receivables consideration has been given to the economic climate in the respective markets, the ageing of the debt and the probability of default.

3. Turnover

Revenue comprised sales of consumer promotions and loyalty programs, excluding VAT, and predominately arisen within the UK.

Notes to the financial statements (continued)

at 30 June 2019

4. Loss on ordinary activities before taxation

This is stated after charging:

	Year ended 30 June 2019	Year ended 30 June 2018
	£	£
Amortisation of intangible assets	-	28,071
Depreciation of tangible fixed assets	-	4,846
Loss on disposal of assets	-	84,801
Management fees paid	-	50,000
Occupancy expenses	-	7,500
Auditors remuneration – audit services	5,000	4,000

Refer to Note 5 for staff costs for the years ended 30 June 2019 and 30 June 2018.

5. Directors and employees

The average monthly number of employees (including directors) during the year was:

	Year ended 30 June 2019 Number	Year ended 30 June 2018 Number
Management and directors	4	5
	4	5

Staff costs, including directors, consist of:

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Wages and salaries	-	73,221
	-	73,221
Directors' remuneration		
Remuneration for qualifying services	-	67,375
Company pension contributions to defined contribution schemes	-	1,173
	-	68,548

The Directors that served during the year received no remuneration or fees for their services to the Company (2018: £68,548).

Notes to the financial statements (continued)

at 30 June 2019

6. Taxation

(a) Factors affecting tax for the year

The tax for the year differs from loss before tax multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%). A reconciliation of the current tax for the year to the tax on the loss at the standard rate is set out below:

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Loss on ordinary activities before tax	(670)	(271,401)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2018: 19%)	(127)	(51,566)
Recognition of group relief received	(24,822)	-
Unrecognised tax losses carried forward	127	51,566
Current tax credit for the year	(24,822)	-

The tax credit was recognised based on the group relief amount received.

(b) Factors that may affect future tax charges

The Company has incurred taxable losses (excluding capital losses and capital allowances) which are available to offset against future taxable profits of £661,286 (2018: £795,409). A deferred tax asset has not been recognised in respect of these losses as the Company does not anticipate that taxable profits will arise within the immediate future.

At the Autumn Budget on 22 November 2017, the government confirmed legislation setting the Corporation Tax main rate (for all profits except ring fence profits) at 19% for the years starting the 1 April 2018 and 2019 and at 17% for the year starting 1 April 2020. This will reduce the Company's future current tax charge accordingly.

7. Trade and other receivables

	30 June 2019 £	30 June 2018 £
Current:		
Trade and other receivables	35,416	171,212
	<u>35,416</u>	<u>171,212</u>
Non-current:		
Amount owing by associated undertakings	1	1
	<u>1</u>	<u>1</u>

Amounts owing by related undertakings are unsecured, interest free and have no fixed terms of repayment.

Notes to the financial statements (continued)

at 30 June 2019

8. Creditors: amounts falling due within one year

	30 June 2019 £	30 June 2018 £
Trade creditors and accruals	24,642	167,672
Amounts owed to group undertakings	825,526	916,566
	<u>850,168</u>	<u>1,084,238</u>

Amounts owing to related undertakings are unsecured, interest free and have no fixed terms of repayment.

9. Authorised, issued and called up share capital

	30 June 2019 £	30 June 2018 £
Authorised, called up and fully paid		
5 (2018: 5) Ordinary shares of £1 each	<u>5</u>	<u>5</u>

10. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Edge UK Holdings Limited, a company incorporated in the United Kingdom. The directors consider the ultimate parent undertaking and controlling party to be Positive Investments Pty. Ltd., a company incorporated in Australia.

The parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Village Roadshow Limited, a company incorporated in Australia. Copies of the group financial statements can be obtained from the Secretary, Village Roadshow Limited, Level 1, 500 Chapel Street, South Yarra, Victoria, 3141, Australia.

11. Related party transactions

The Company has taken advantage of the exemption available under the requirements of IAS24, *Related Party Disclosures*, not to disclose transactions with entities that are members of the Village Roadshow Limited group by virtue of its status as a 100% owned subsidiary of a parent whose financial statements are a group and made publicly available, with the following exceptions:

The Company was charged promotional development costs of £Nil for the year ended 30 June 2019 (2018: £42,919) by a fellow 80% owned subsidiary of the VRL group, Opia Limited. The Company recharged customer promotion costs to Opia Limited of £Nil (2018: £286,879). The total outstanding balance payable to Opia Limited at 30 June 2019 was £Nil (2018: £60,000).

During the year ended 30 June 2019, the Company had entered into a group tax relief arrangement, with Opia Limited for a total value of £24,822. The Company also paid £66,218 for various operating costs on behalf of Edge UK Holdings Limited. The total outstanding balance payable to Edge UK Holdings Limited at 30 June 2019 was £825,526 (2018: £916,566).

12. Events subsequent to balance date

On 11 March 2020, the World Health Organization raised the public health emergency situation caused by the outbreak of the coronavirus ("COVID-19") to an international pandemic. The rapid evolution of events, nationally and internationally, represents an unprecedented health crisis, which will impact the macroeconomic environment and the evolution of business. There has been no material impact on the Company as a result of COVID-19 given the Company has ceased trading.