

COLUMBIA TRISTAR CINEMA CLUB LIMITED
DIRECTORS' REPORT AND ACCOUNTS
20 OCTOBER 1995 TO 31 MARCH 1997

Registered Number: 3118403



COLUMBIA TRISTAR CINEMA CLUB LIMITED

DIRECTORS' REPORT

The directors present their report and the audited accounts of the company for the period ended 31 March 1997.

PRINCIPAL ACTIVITY

The Company has a 50% holding in a partnership with VCI Cinema Club Limited called "Cinema Club" which has been created to exploit specific video retail titles within a branded range.

INCORPORATION

The company was incorporated on 20 October 1995.

RESULTS AND DIVIDENDS

The profit before taxation for the period amounted to £201,553. The Directors do not recommend payment of a dividend.

DIVIDENDS

The names of the directors who served during the period are as follows:

AK Pritchard	(Appointed 20 October 1995)
M Antoniak	(Appointed 20 October 1995)
AB Robertson	(Appointed 20 October 1995)

DIRECTORS' INTEREST

The directors held no interest in the share capital of the company as at 31 March 1997.

COLUMBIA TRISTAR CINEMA CLUB LIMITED

DIRECTORS' REPORT (Continued)

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

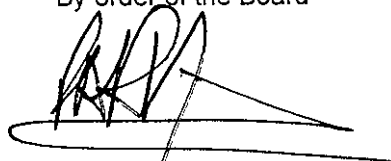
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

AUDITORS

Price Waterhouse have been appointed as auditors. Pursuant to Section 386 of the Companies Act 1985, the company has dispensed with the need to appoint auditors annually.

By order of the Board



P A Ryan
Secretary

30 June 1997

Price Waterhouse



AUDITORS' REPORT TO THE SHAREHOLDERS OF COLUMBIA TRISTAR CINEMA CLUB LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 1997 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse
Chartered Accountants
and Registered Auditors

30 June 1997

COLUMBIA TRISTAR CINEMA CLUB LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 1997**

	Notes	20 October 1995 to 31 March 1997 £
TURNOVER	1	6,082,283
Cost of sales		(5,880,055)
		<hr/>
GROSS PROFIT		202,228
Administrative expenses		(675)
		<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	201,553
Tax on profit on ordinary activities	3	(66,512)
		<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		135,041
Dividend		-
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RETAINED PROFIT FOR THE PERIOD		135,041
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A reconciliation of movements in shareholders' funds is set out in note 8 on page 8

All activities of the company are continuing.

The company has no recognised gains or losses other than the profit for the period.

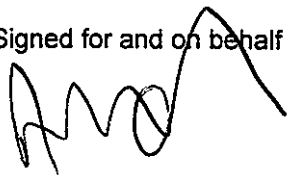
The notes on pages 6 to 8 form part of these accounts.

COLUMBIA TRISTAR CINEMA CLUB LIMITED

BALANCE SHEET - 31 MARCH 1997

	Notes	31 March 1997 £
FIXED ASSETS		
Investments	4	-
		<hr/>
CURRENT ASSETS		
Amounts owed by parent undertaking		203,228
CREDITORS: Amounts falling due within one year	5	(67,187)
		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		136,041
		<hr/> <hr/>
CAPITAL AND RESERVES		
Called up share capital	6	1,000
Profit and loss account	7	135,041
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Equity shareholders' funds	8	136,041
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Signed for and on behalf of the Board.



A B Robertson
Director

30 June 1997

The notes on pages 6 to 8 form part of these accounts.

COLUMBIA TRISTAR CINEMA CLUB LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1997

1 ACCOUNTING POLICIES

Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption under Section 228 of the Companies Act 1995 not to prepare group accounts as its parent company, Sony Music Entertainment UK Group Limited, has prepared consolidated financial statements.

The company has taken advantage of exemptions under FRS1 (revised) and has therefore not produced a cash flow statement.

The company has taken advantage of exemptions under FRS8, Related Party Transactions, and has therefore not separately disclosed transactions with other Sony Corporation group companies.

Turnover

Turnover represents the invoiced value of goods supplied, excluding value added tax.

Partnership profits

The company is entitled to 50% of the retained profit of the partnership. This income is recognised on a cash receipt basis.

2 DIRECTORS' EMOLUMENTS AND AUDITORS' REMUNERATION

The directors receive no emoluments in respect of their services to the company. There were no other employees of the company. The profit on ordinary activities before taxation is stated after charging auditors' remuneration of £675.

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £
UK Corporation tax at 33%	66,512
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COLUMBIA TRISTAR CINEMA CLUB LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1997 (Continued)

4 FIXED ASSET INVESTMENTS

	Ownership %	1997 £
Investment in unincorporated partnership	50	-
	<u>50</u>	<u>-</u>

During the period, the company and VCI Cinema Club Limited established an unincorporated partnership called "Cinema Club". The partnership was created to exploit video retail titles within a branded range.

The address of the principal places of business of Cinema Club is 36-38 Caxton Way, Watford, Hertfordshire, WD1 8UF.

Cinema Club has been consolidated within VCI plc's group accounts thereby enabling the partnership to take advantage of exemptions, under The Partnership and Unlimited Companies (Accounts) Regulations 1993, and has therefore not prepared and filed statutory accounts.

The net assets of the partnership as at 31 March 1997 were £118,000.

5 CREDITORS: Amounts falling due within one year

	1997 £
Taxation and social security	66,512
Accruals & deferred income	675
	<u>67,187</u>

6 SHARE CAPITAL

	1997 £
Authorised, allotted, called up and fully paid: 1,000 Ordinary shares of £1 each	1,000
	<u>1,000</u>

7 PROFIT AND LOSS ACCOUNT

	1997 £
Profit for the financial period	135,041
	<u>135,041</u>
Balance at 31 March 1997	135,041
	<u>135,041</u>

COLUMBIA TRISTAR CINEMA CLUB LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1997 (Continued)

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £
Share capital issued	1,000
Profit for the period	135,041
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Closing shareholders' funds	136,041
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9 RELATED PARTY TRANSACTIONS

There were no transactions between the company and Cinema Club, as all Cinema Club transactions are with Columbia Pictures Video Limited. The transactions between the company and Columbia Pictures Video Limited are not separately disclosed as these companies are both subsidiaries of Sony Music Entertainment UK Group Limited.

10 ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of Columbia Pictures Video Limited.

The smallest group, for which group accounts have been prepared of which the company is a subsidiary, is Sony Music Entertainment UK Group Limited. Copies of the group accounts can be obtained from Sony Music Entertainment UK Group Limited, Rabans Lane, Aylesbury, Buckinghamshire, HP19 3BX.

The ultimate holding company is Sony Corporation, a company incorporated in Japan. Copies of the group accounts can be obtained from Sony Music Entertainment (UK) Limited, Rabans Lane, Aylesbury, Buckinghamshire, HP19 3BX.