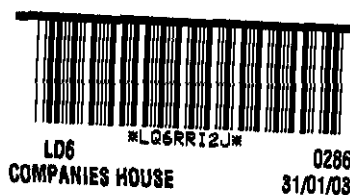


COLUMBIA TRISTAR CINEMA CLUB LIMITED

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2002



Registered Number: 3118403

COLUMBIA TRISTAR CINEMA CLUB LIMITED

DIRECTORS' REPORT

The directors present their report and the audited accounts of the company for the year ended 31 March 2002.

Principal activity

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

Review of business and future developments

The profit for the year is in line with management expectations. The partnership between the company and VCI Cinema Club Limited was dissolved on 30 June 2002.

Results and dividends

The profit before taxation for the year before taxation amounted to £2,087,635 (2001: £2,176,903). The directors do not recommend payment of a dividend (2001:Nil).

Directors

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

AK Pritchard
M Antoniak
AB Robertson

Directors' interests

The directors held no interest in the share capital of the company during the years ended 31 March 2002 and 31 March 2001.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

COLUMBIA TRISTAR CINEMA CLUB LIMITED

DIRECTORS' REPORT (continued)

Auditors

In accordance with Section 386(1) of the Companies Act 1985, the company has passed a resolution dispensing with the obligation to appoint auditors annually.

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office.

Annual General Meeting

In accordance with section 252(1) of the Companies Act 1985, the company has passed a resolution electing to dispense with the obligations to lay accounts and reports before the company in a general meeting.

In accordance with section 366A(1) of the Companies Act 1985, the company has passed a resolution electing to dispense with the obligations to hold annual general meetings.

By order of the Board



S K Gill
Secretary

23 December 2002

PricewaterhouseCoopers
10 Bricket Road
St Albans AL1 3JX
Telephone +44 (0) 1727 844155
Facsimile +44 (0) 1727 845039

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLUMBIA TRISTAR CINEMA CLUB LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

23 December 2002

COLUMBIA TRISTAR CINEMA CLUB LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 £
Turnover	1	9,940,950	10,738,326
Cost of sales		(7,929,385)	(8,607,108)
Gross profit		2,011,565	2,131,218
Administrative expenses		(280)	(815)
Operating profit		2,011,285	2,130,403
Share in partnership profits		76,350	46,500
Profit before taxation	2	2,087,635	2,176,903
Taxation	4	(626,830)	(653,071)
Profit after taxation		1,460,085	1,523,832
Retained profit for the period	9	1,460,085	1,523,832

A reconciliation of movements in shareholders' funds is set out in note 10 on page 9.

All activities of the company are discontinuing (see note 13)

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

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

The notes on pages 6 to 9 form part of these accounts.

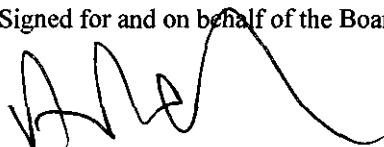
COLUMBIA TRISTAR CINEMA CLUB LIMITED

BALANCE SHEET - 31 MARCH 2002

	Notes	2002 £	2001 £
Fixed assets			
Investments	5	-	-
Current assets			
Debtors	6	6,809,939	4,408,686
Creditors: Amounts falling due within one year	7	(2,286,989)	(1,346,541)
Net current assets		4,522,950	3,062,145
Total assets less current liabilities		4,522,950	3,062,145
Capital and reserves			
Called up share capital	8	1,000	1,000
Profit and loss account	9	4,521,230	3,061,145
Equity shareholders' funds	10	4,522,230	3,062,145

The notes on pages 6 to 9 form part of these accounts.

Signed for and on behalf of the Board.



A B Robertson
Director

23 December 2002

COLUMBIA TRISTAR CINEMA CLUB LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2002

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Basis of accounting

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

Cash flow and related party disclosures

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

The company has taken advantage of the exemption under FRS1 (revised) "Cash flow statements" and has therefore not produced a cash flow statement.

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

Turnover

Turnover is derived from the sale of VHS cassettes and is recognised on the date of the sale. The company is also entitled to 50% of the retained profit of the partnership. This income is recognised in the period in which it arises.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging auditors' remuneration of £1,000 (2001: £800).

3 STAFF COSTS AND DIRECTORS' EMOLUMENTS

The directors receive no emoluments in respect of their services to the company. There were no other employees of the company.

COLUMBIA TRISTAR CINEMA CLUB LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2002 (continued)

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
UK Corporation tax at 30% (2001: 30%) – current year	626,830	653,071

Effective Rate: 30%

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%). The difference is explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	2,087,635	2,176,930
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	626,291	653,071
Effects of:		
Expenses not deductible for tax purposes	539	-
Current tax charge for the period (above)	626,830	653,071

5 FIXED ASSET INVESTMENTS

	Ownership %	2002 £	2001 £
Investment in unincorporated partnership	50	-	-

The address of the principal place of business of the unincorporated partnership, Cinema Club, was 76 Dean Street, London, W1V 5HA.

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 2002 were £453,000 (2001: £300,300).

COLUMBIA TRISTAR CINEMA CLUB LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2002 (continued)

6 DEBTORS

	2002 £	2001 £
Trade debtors	675,214	1,405,205
Amounts owed by parent undertaking	5,908,225	2,563,136
Amounts owed by partnership	226,500	150,150
Prepayments & accrued income	-	290,195
	<hr/> 6,809,939	<hr/> 4,408,686

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Taxation and social security	1,970,326	1,343,496
Other creditors	315,663	-
Accruals & deferred income	1,000	3,045
	<hr/> 2,286,989	<hr/> 1,346,541

8 SHARE CAPITAL

	2002 £	2001 £
Authorised, allotted, called up and fully paid: 1,000 Ordinary shares of £1 each	<hr/> 1,000	<hr/> 1,000

9 PROFIT AND LOSS ACCOUNT

	2002 £	2001 £
Opening balance	3,061,145	1,537,313
Profit for the period	<hr/> 1,460,085	<hr/> 1,523,832
Closing balance	<hr/> 4,521,230	<hr/> 3,061,145

COLUMBIA TRISTAR CINEMA CLUB LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2002 (continued)

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Opening shareholders' funds	3,062,145	1,538,313
Profit for the period	1,460,085	1,523,832
Closing shareholders' funds	4,522,230	3,062,145

11 RELATED PARTY TRANSACTIONS

All Cinema Club sales transactions are with its immediate parent company, Columbia Pictures Video Limited. Advantage has been taken of the exemption under FRS 8 not to disclose transactions between the company and Columbia Pictures Video Limited. Columbia Pictures Video Limited is a subsidiary Columbia Pictures Corporation Limited, which is a subsidiary of Sony Music Entertainment UK Group Limited and are consolidated in the accounts of Sony Entertainment Holdings Europe Limited.

Columbia Tristar Cinema Club Limited is entitled to 50% of the Cinema Club joint venture profits and these amounts have been recognised on an accruals basis. No distributions have been made by the joint venture and amounts receivable at 31 March 2002 were £226,500 (2001: £150,150).

12 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 Entertainment Holdings Europe Limited. Copies of the group accounts can be obtained from Sony Entertainment Holdings Europe Limited, 190 The Strand, London WC2R 1JN.

The ultimate holding company and controlling party is Sony Corporation, a company incorporated in Japan. Sony Corporation is the largest group for which group accounts are drawn up. Copies of the group accounts can be obtained from the above address.

13 SUBSEQUENT EVENT

The partnership between the company and VCI Cinema Club Limited was dissolved on 30 June 2002. The company will have ceased trading by the end of the next financial year.