

COLUMBIA TRISTAR CINEMA CLUB LIMITED
DIRECTORS' REPORT AND ACCOUNTS
YEAR ENDED 31 MARCH 2001



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 2001.

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.

Results and dividends

The profit before taxation for the year before taxation amounted to £2,176,903 (2000: £1,202,462). The directors do not recommend payment of a dividend (2000:Nil).

Directors & Company Secretary

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

AK Pritchard
M Antoniak
AB Robertson

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

PA Ryan	(resigned 24 August 2001)
SK Gill	(appointed 28 August 2001)

Directors' interests

The directors held no interest in the share capital of the company as at 31 March 2001 and 31 March 2000.

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 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.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



S K Gill
Secretary

21 December 2001

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AUDITORS' REPORT TO THE SHAREHOLDERS 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 are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

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 2001 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
St Albans

21 December 2001

COLUMBIA TRISTAR CINEMA CLUB LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2001

	Notes	2001 £	2000 £
Turnover	1	10,738,326	7,825,101
Cost of sales		(8,607,108)	(6,483,682)
Gross profit		2,131,218	1,341,419
Administrative expenses		(815)	(790)
Operating profit		2,130,403	1,340,629
Share in partnership profits/(losses)		46,500	(138,167)
Profit before taxation	2	2,176,903	1,202,462
Taxation	3	(653,071)	(362,553)
Profit after taxation		1,523,832	839,909
Retained profit for the period	8, 9	1,523,832	839,909

A reconciliation of movements in shareholders' funds is set out in note 9 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 9 form part of these accounts.

COLUMBIA TRISTAR CINEMA CLUB LIMITED

BALANCE SHEET - 31 MARCH 2001

	Notes	2001 £	2000 £
Fixed assets			
Investments	4	-	-
Current assets			
Debtors	5	4,408,686	2,230,983
Creditors: Amounts falling due within one year	6	(1,346,541)	(692,670)
Net current assets		3,062,145	1,538,313
Total assets less current liabilities		3,062,145	1,538,313
Capital and reserves			
Called up share capital	7	1,000	1,000
Profit and loss account	8	3,061,145	1,537,313
Equity shareholders' funds	9	3,062,145	1,538,313

Signed for and on behalf of the Board.



A B Robertson
Director

28 December 2001

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

COLUMBIA TRISTAR CINEMA CLUB LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2001

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 ultimate UK parent company, Sony Entertainment Holdings Europe Limited, has prepared consolidated financial statements.

The company has taken advantage of exemptions under FRS1 (revised) "Cash flow statements" 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.

The company is entitled to 50% of the retained profit of the partnership. This income is recognised in the period in which it arises.

Turnover

Turnover is derived from the sale of VHS cassettes and is recognised on the date of the sale.

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 £800 (2000: £775).

COLUMBIA TRISTAR CINEMA CLUB LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2001 (continued)

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
UK Corporation tax at 30% (2000: 30%)	653,071	362,553

4 FIXED ASSET INVESTMENTS

	Ownership %	2001 £	2000 £
Investment in unincorporated partnership	50	-	-

The address of the principal place of business of Cinema Club is 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 2001 were £300,300 (2000: £207,300).

5 DEBTORS

	2001 £	2000 £
Prepayments	290,195	268,661
Amounts owed by partnership	150,150	103,650
Amounts owed by parent undertaking	3,968,341	1,858,672
	4,408,686	2,230,983

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Taxation and social security	1,343,496	690,425
Accruals & deferred income	3,045	2,245
	1,346,541	692,670

COLUMBIA TRISTAR CINEMA CLUB LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2001 (continued)

7 SHARE CAPITAL

	2001 £	2000 £
Authorised, allotted, called up and fully paid: 1,000 Ordinary shares of £1 each	1,000	1,000

8 PROFIT AND LOSS ACCOUNT

	2001 £	2000 £
Opening balance	1,537,313	697,404
Profit for the period	1,523,832	839,909
Closing balance	3,061,145	1,537,313

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Opening shareholders' funds	1,538,313	698,404
Profit for the period	1,523,832	839,909
Closing shareholders' funds	3,062,145	1,538,313

10 RELATED PARTY TRANSACTIONS

All Cinema Club sales transactions are with 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. These companies are both subsidiaries 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 2001 were £150,150 (2000: £103,650).

COLUMBIA TRISTAR CINEMA CLUB LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2001 (continued)

11 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, 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.