

CIC FILM PROPERTIES
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1996

REGISTERED NO: 199959



CIC FILM PROPERTIES

DIRECTOR Cinema International Corporation (UK)

SECRETARY J C Ribbons

AUDITORS Price Waterhouse
York House
York Street
Manchester
M2 4WS

REGISTERED OFFICE Lee House
90 Great Bridgewater Street
Manchester
M1 5JW

CIC FILM PROPERTIES DIRECTOR'S REPORT

The director presents its report and audited financial statements for the year ended 31 December 1996.

BUSINESS REVIEW

CIC Film Properties (the "Company") has not traded during the year. It owns 95% of the issued share capital of the Empire-Ritz (Leicester Square) which does not trade.

DIRECTORS AND THEIR INTERESTS

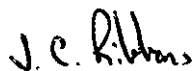
The director of the Company during the year is stated on page 1.

Throughout the year Cinema International Corporation (UK) held all 157,455 shares.

AUDITORS

A resolution to reappoint Price Waterhouse will be put to the forthcoming Annual General Meeting.

By Order of the Board



J C Ribbons
Secretary
28 February 1997

CIC FILM PROPERTIES

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the director 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 director is 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, subject to any material departures disclosed 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements comply with the Companies Act 1985. It is 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.

Price Waterhouse



REPORT OF THE AUDITORS TO THE MEMBERS OF CIC FILM PROPERTIES

We have audited the financial statements on pages 5 to 6 which have been prepared under the historical cost convention and the accounting policy set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the Company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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 the Company's affairs as at 31 December 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
Chartered Accountants
and Registered Auditors
28 February 1997

**CIC FILM PROPERTIES
BALANCE SHEET
AS AT 31 DECEMBER 1996**

	Note	1996 £	1996 £	1995 £	1995 £
Fixed assets					
Investments	4		95		95
Current assets					
Amounts owed by group undertakings		280,895		284,395	
Creditors: Amounts falling due in one year					
Corporation tax		-		(3,500)	
Net current assets			280,895		280,895
Total assets less current liabilities			<u>280,990</u>		<u>280,990</u>
Capital and reserves					
Called up share capital	5		157,455		157,455
Profit and loss account			123,535		123,535
			<u>280,990</u>		<u>280,990</u>

Approved by the Board on 28 February 1997


Director's representative
for Cinema International Corporation (UK)

The notes on page 6 form an integral part of these financial statements.

**CIC FILM PROPERTIES
NOTES TO THE FINANCIAL STATEMENTS**

1 ACCOUNTING POLICIES

Accounting convention

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

Investments

Investments are stated at cost less provision for any permanent diminution in value.

2 RESULT FOR THE YEAR

The Company did not trade during the years ended 31 December 1996 and 31 December 1995 and consequently made neither a profit nor a loss in those years.

3 DIRECTOR'S EMOLUMENTS

The director did not receive any remuneration in respect of its services to the Company during the year ended 31 December 1996 (1995 - £Nil).

4 FIXED ASSET INVESTMENTS

	1996	1995
	£	£
Costs of shares in subsidiary undertaking	95	95

The subsidiary undertaking is Empire-Ritz (Leicester Square), an unlimited company registered in England, which does not trade. The Company holds 95% of it's share capital. In the opinion of the director the value of the investment is not less than book value.

The Company is a wholly owned subsidiary of Cinema International Corporation NV, which is incorporated in The Netherlands. Under the provisions of Section 228 of the Companies Act 1985, group financial statements have not been prepared.

5 CALLED UP SHARE CAPITAL

The authorised share capital of the Company comprises 200,000 Ordinary shares of £1 each, of which 157,455 Ordinary shares are allotted and fully paid.

6 PARENT UNDERTAKINGS

The Company's immediate parent undertaking is Cinema International Corporation (UK). The smallest and largest group which includes the Company's financial statements is Cinema International Corporation NV which is incorporated in The Netherlands. Copies of Cinema International Corporation NV's financial statements can be obtained from Rijswijkstraat 175, 1062 EV, Amsterdam.