ORION CINEMAS LIMITED

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 1997

Index

Page	
1	Accountants' report
2 to 3	Balance sheet
4 to 5	Notes to the accounts

REGISTERED NUMBER 03035321

A03 *AJX2M06K* 277
COMPANIES HOUSE 10/10/97

ORION CINEMAS LIMITED

ACCOUNTANTS' REPORT TO THE
SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF
ORION CINEMAS LIMITED

We report on the accounts for the year ended 31 May 1997 set out on pages 4 to 12.

Respective responsibilities of directors and reporting accountant
As described on page 6 the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit.

In accordance with their instructions and in order to assist the directors to fulfil their responsibilities we have prepared the accounts on pages 4 to 12 from the accounting records and from information and explanations supplied to us.

We have not performed an audit and we do not provide any assurance that the accounts show a true and fair view, which remains the sole responsibility of the directors.

It is our responsibility to carry out procedures designed to enable us to report on our opinion.

Basis of opinion
Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion
In our opinion:

a The accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;

b having regard only to, and on the basis of, the information contained in those accounting records:

i the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and

ii the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

29 SEPTEMBER 1997

CONNAUGHT HOUSE
ALEXANDRA TERRACE
GUILDFORD, SURREY

BDO STOY HAYWARD
CHARTERED ACCOUNTANTS

ORION CINEMAS LIMITED

ABBREVIATED BALANCE SHEET AT 31 MAY 1997

	Notes	1997	1996
		£	£
FIXED ASSETS	2	122,046	134,222
CURRENT ASSETS			
Stocks		1,435	1,114
Debtors		5,876	1,851
Cash at bank and in hand		67,943	18,469
		75,254	21,434
CREDITORS:			
Amounts falling due within one year		22,282	24,619
NET CURRENT ASSETS		52,972	(3,185)
TOTAL ASSETS LESS CURRENT LIABILITIES		175,018	131,037
CAPITAL AND RESERVES			
Called up share capital	3	150,000	130,000
Share premium account		20,000	-
Profit and loss account		5,018	1,037
		175,018	131,037

The directors' statements which form part of the balance sheet are shown overleaf.

ORION CINEMAS LIMITED

ABBREVIATED BALANCE SHEET AT 31 MAY 1997

(CONTINUED)

The director is satisfied that the company was entitled to exemption under subsection (2) of Section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial year.

The director acknowledges his responsibilities for:

i ensuring that the company keeps accounting records which comply with section 221;

ii preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

L. Allwood) Director Formally approved on 25 SEP 1997

L.G. Allwood

ORION CINEMAS LIMITED

NOTES TO THE ACCOUNTS
AT 31 MAY 1997

1 ACCOUNTING POLICIES

ACCOUNTING CONVENTION
These accounts have been prepared under the historical cost convention, and in accordance with applicable Accounting Standards.

GOODWILL
Purchased goodwill is amortised over 10 years.

DEPRECIATION
Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Leasehold land and buildings	Over the period of the lease
Computer equipment	20% on a reducing balance basis per annum
Fixtures, fittings and equipment	15% on a reducing balance basis per annum

STOCKS
Stocks are stated at the lower of cost and net realisable value as follows:

Cost incurred in bringing each product to its present location and condition:

Work in progress and finished goods	– cost of direct materials and labour plus attributable overhead based on the normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

DEFERRED TAXATION
Deferred taxation is provided under the liability method on all timing differences to the extent that it is probable that the liability will crystallise in the foreseeable future.

OPERATING LEASES
Rentals under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

ORION CINEMAS LIMITED

NOTES TO THE ACCOUNTS
AT 31 MAY 1997
(Continued)

2 FIXED ASSETS

	Intangible assets	Tangible assets	Total
	£	£	£
Cost or valuation:			
At 31 May 1996	64,000	90,343	154,343
Additions	-	7,004	7,004
At 31 May 1997	64,000	97,347	161,347
Depreciation:			
At 31 May 1996	6,400	13,721	20,121
Charge for the year	6,400	12,780	19,180
At 31 May 1997	12,800	26,501	39,301
Net book amounts:			
At 31 May 1997	51,200	70,846	122,046
At 31 May 1996	57,600	76,622	134,222

3 CALLED UP SHARE CAPITAL

	1997	1996
	£	£
Authorised		
Ordinary shares of £1 each	150,000	150,000
Allotted, issued and fully paid		
Ordinary shares of £1 each	150,000	130,000

During the year the company issued 20,000 ordinary shares of £1 each at a premium of £1 each to provide additional working capital.