

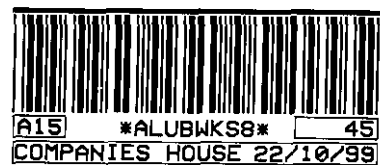
Companies House.

MERCHANT SECURITIES (LOANS) LIMITED

REPORT AND ACCOUNTS

FOR THE

YEAR ENDED 31ST DECEMBER 1998



MERCHANT SECURITIES (LOANS) LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31st December 1998

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DIRECTORS

M Simkins Esq
I Burlingham Esq

COMPANY SECRETARY

I Burlingham Esq

ACCOUNTANTS

Lodge Parker & Co
Chartered Accountants
182 Gloucester Place
London NW1 6DS

BANKERS

National Westminster Bank PLC

REGISTERED OFFICE

182 Gloucester Place
London NW1 6DS

REGISTERED NUMBER

01487703 England and Wales

MERCHANT SECURITIES (LOANS) LIMITED

REPORT OF THE DIRECTORS

For the year ended 31st December 1998

The directors present their report together with the unaudited financial statements for the year ended 31st December 1998.

PRINCIPAL ACTIVITY, TRADING RESULTS AND DIVIDENDS

The principal activities of the company are that of acting as nominees for handling of film rights.

The profit and loss account is set out on page 5 and shows the profit for the year after taxation. The directors do not anticipate any significant changes in the company's operations in the ensuing year.

The directors do not recommend the payment of a dividend in respect of the year.

DIRECTORS

The directors at 31st December 1998 and their interests in the share capital of the company were as follows:-

	31 December 1998	31 December 1997
	Ordinary Shares of £1 each	Ordinary Shares of £1 each
M Simkins Esq	50	50
I W Burlingham Esq	50	50

Mr I W Burlingham retires by rotation, and being eligible, offers himself for re-election.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts the directors are required to:

- 1 select suitable accounting policies and then apply them consistently;
- 2 make judgements and estimates that are reasonable and prudent;
- 3 follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- 4 prepare the accounts 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 accounts 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.

MERCHANT SECURITIES (LOANS) LIMITED

REPORT OF THE DIRECTORS (continued)

For the year ended 31st December 1998

OTHER MATTERS

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

No political or charitable donations over £200 were made during the year.

By Order of the Board

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Director  M Simkins

Dated 18th October 1999

MERCHANT SECURITIES (LOANS) LIMITED

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS

TO THE DIRECTORS OF MERCHANT SECURITIES (LOANS) LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31st December 1998, set out on pages 5 to 9 and you consider that the company is exempt from an audit and a report under Section 249A(2) of the Companies Act 1985.

In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

182 GLOUCESTER PLACE
LONDON NW1 6DS


LODGE PARKER & CO
CHARTERED ACCOUNTANTS

18TH OCTOBER 1999

MERCHANT SECURITIES (LOANS) LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31st December 1998

	Notes	1998 £	1997 £
Turnover		743	133
Administrative expenses		<u>(516)</u>	<u>(537)</u>
Profit on Ordinary Activities before taxation		227	(404)
Tax on Profit on Ordinary Activities	2	<u>-</u>	<u>-</u>
Profit for the financial year		227	(404)
Retained Loss brought forward		<u>(1,368)</u>	<u>(964)</u>
RETAINED LOSS CARRIED FORWARD		<u>£(1,141)</u>	<u>£(1,368)</u>

CONTINUING OPERATIONS

All of the company's activities in the above two financial years derived from continuing operations.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 and 9 form part of these financial statements

MERCHANT SECURITIES (LOANS) LIMITED**BALANCE SHEET**

As at 31st December 1998

	Notes	1998 £	1997 £
CURRENT ASSETS			
Debtors	3	-	495
Cash at bank and in hand		<u>11,072</u>	<u>11,498</u>
		11,072	11,993
CREDITORS: amounts falling due within one year	4	<u>12,113</u>	<u>13,261</u>
NET CURRENT LIABILITIES		<u>£(1,041)</u>	<u>£(1,268)</u>
CAPITAL AND RESERVES			
Called up share capital	5	100	100
Profit and loss account		<u>(1,141)</u>	<u>(1,368)</u>
SHAREHOLDERS' FUNDS	6	<u>£(1,041)</u>	<u>£(1,268)</u>

The notes on pages 8 and 9 form part of these financial statements

MERCHANT SECURITIES (LOANS) LIMITED

BALANCE SHEET (continued)

As at 31st December 1998

The company was entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st December 1998.

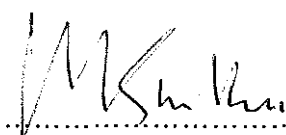
No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

- a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and,
- b) preparing financial statements 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 the Act relating to financial statements, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on 18th October 1999.

Signed  M Simkins
Director

The notes on pages 8 and 9 form part of these financial statements.

MERCHANT SECURITIES (LOANS) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31st December 1998

1 ACCOUNTING POLICIES

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

CASH FLOW

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard One "Cash Flow Statements".

GOING CONCERN BASIS

The financial statements have been prepared on a going concern basis which is dependent upon the company's directors continuing to provide the necessary financial facilities to enable the company to continue in operation for the foreseeable future.

	1998 £	1997 £
2 TAX ON PROFIT ON ORDINARY ACTIVITIES		
UK Corporation Tax @ 21% based on profit for the year (1997: 21/24%)	<u>£NIL</u>	<u>£NIL</u>
3 DEBTORS		
Sundry Debtors	<u>£NIL</u>	<u>£495</u>
4 CREDITORS: amounts falling due within one year.		
Other creditors	11,628	12,738
Accruals	<u>485</u>	<u>523</u>
	<u>£12,113</u>	<u>£13,261</u>

MERCHANT SECURITIES (LOANS) LIMITED**NOTES TO THE ACCOUNTS (continued)**

For the year ended 31st December 1998

	1998 £	1997 £
5 SHARE CAPITAL		
Authorised	<u>£100</u>	<u>£100</u>
Allotted, called and fully paid Ordinary shares of £1 each	<u>£100</u>	<u>£100</u>
6 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS		
Profit for the financial year after taxation	227	(404)
Opening shareholders' funds at 1st January 1998	<u>(1,268)</u>	<u>(864)</u>
Closing shareholders' funds at 31st December 1998	<u>£(1,041)</u>	<u>£(1,268)</u>