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Company Registration No. 3261698 (England and Wales)

HEYDAY FILMS LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 1997



HEYDAY FILMS LIMITED

COMPANY INFORMATION

Director	D Heyman	(Appointed 11 November 1996)
Secretary	E Heyman	
Company number	3261698	
Registered office	Unity House 205 Euston Road London NW1 2AY	
Accountants	Godfrey Allan Partnership Unity House 205 Euston Road London NW1 2AY	

HEYDAY FILMS LIMITED

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HEYDAY FILMS LIMITED

DIRECTOR'S REPORT FOR THE PERIOD ENDED 31 DECEMBER 1997

The director presents his first report and financial statements for the period ended 31 December 1997. The company was incorporated on 10 October 1996 as Cherubs Limited and changed its name to Heyday Films Limited on 18 December 1996. The company started trading on 17 December 1996.

Director's responsibilities

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;
- 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 to enable him to ensure that the financial statements comply with the Companies Act 1985. He 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.

Principal activities

The principal activity of the company continued to be that of film production.

Director

The following director has held office since 10 October 1996:

D Heyman

(Appointed 11 November 1996)

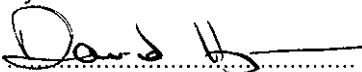
Director's interests

The director's beneficial interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	31 December 1997	10 October 1996
D Heyman	1	-

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

By order of the board



D Heyman

Director

Dated 9 April 1999

HEYDAY FILMS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 1997

	Notes	Period ended 31 December 1997 £
Turnover	1	299,249
Administrative expenses		(244,855)
Operating profit	2	54,394
Other interest receivable and similar income	3	287
Profit on ordinary activities before taxation		54,681
Tax on profit on ordinary activities	4	(11,860)
Profit on ordinary activities after taxation		42,821
Dividends	5	(16,100)
Retained profit for the period	10	26,721

Notes

The company commenced trading on 17 December 1996 and all the profit and loss account transactions occurred in the period from this date to 31 December 1997.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

HEYDAY FILMS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1997

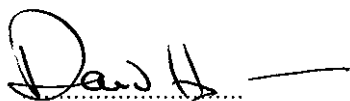
	Notes	1997 £	£
Fixed assets			
Tangible assets	6		15,420
Current assets			
Debtors	7	23,856	
Cash at bank and in hand		38,434	
		<hr/>	
		62,290	
Creditors: amounts falling due within one year	8	(50,988)	
		<hr/>	
Net current assets			11,302
Total assets less current liabilities			<hr/>
			26,722
			<hr/>
Capital and reserves			
Called up share capital	9		1
Profit and loss account	10		26,721
			<hr/>
Shareholders' funds - equity interests	11		26,722
			<hr/>

In preparing these financial statements:

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges his responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (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.

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

The financial statements were approved by the Board on 9/1/99.....



D Heyman
Director

HEYDAY FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1997

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% on a straight line basis.
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1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating profit	1997
	£
Operating profit is stated after charging:	
Depreciation of tangible assets	4,677
Director's emoluments	56,977
	<hr/>
3 Other interest receivable and similar income	1997
	£
Bank interest	287
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4 Taxation	1997
	£
U.K. current year taxation	
U.K. corporation tax at 24%	11,860
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HEYDAY FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1997

5	Dividends	1997
		£
	Ordinary dividend of £16,100 per share	16,100
6	Tangible fixed assets	
		Fixtures, fittings and equipment
		£
	Cost	
	At 10 October 1996	-
	Additions	20,097
	At 31 December 1997	20,097
	Depreciation	
	At 10 October 1996	-
	Charge for the period	4,677
	At 31 December 1997	4,677
	Net book value	
	At 31 December 1997	15,420
7	Debtors	1997
		£
	Trade debtors	784
	Other debtors	2,799
	Prepayments	20,273
		23,856
8	Creditors: amounts falling due within one year	1997
		£
	Trade creditors	3,987
	Social security and other taxes	2,138
	Corporation tax	11,860
	Accruals	33,003
		50,988

HEYDAY FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1997

9 Share capital	1997
	£
Authorised	
10,000 Ordinary shares of £ 1 each	10,000
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Allotted, called up and fully paid	
1 Ordinary shares of £ 1 each	1
	<hr/>

10 Statement of movements on profit and loss account

**Profit and
loss account**
£

Retained profit for the period	26,721
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11 Reconciliation of movements in shareholders' funds

1997

£

Profit for the financial period	42,821
Dividends	(16,100)
	<hr/>
	26,721
Proceeds from issue of shares	1
	<hr/>
Net addition to shareholders' funds	26,722
Opening shareholders' funds	-
	<hr/>
Closing shareholders' funds	26,722
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12 Capital commitments

At 31 December 1997 there were no commitments to capital expenditure.

13 Transactions with directors

At 31 December 1997 the Director D Heyman owed the company £2,799. The maximum amount owing during the year was £2,799. This balance was repaid on 31 March 1999.

14 Control

The ultimate controlling party is David Heyman who owns 100% of the share capital.