

L.D.M. FINANCE COMPANY LIMITED
(Company number 1498947)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 1998



L.D.M. FINANCE COMPANY LIMITED

Directors	Mr. L.W.Melville Mrs. S.F.Melville
Secretary	Mr. P.M.Enoch
Registered Office	8 Baltic Street East, London, EC1Y 0UP.
Auditors	Silver Altman, 8 Baltic Street East, London, EC1Y 0UP.

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the Company for the year ended 30th April 1998.

Principal activity

The Company is a member of a partnership whose principal activities in the year were the provision of finance, lessors of capital equipment and dealers in securities under the name of Melville Trading Trusts.

Review of business

A summary of the results for the year is given on page 4 of the financial statements.

The directors consider the result achieved on ordinary activities before taxation to be satisfactory.

Dividends

The directors do not recommend the payment of a dividend in respect of the year (1997: £Nil).

Directors

The directors in office in the year and their interests in the issued ordinary share capital were as follows:

	At 30th April 1998	At 1st May 1997
L.W.Melville	Nil	Nil
S.F.Melville	Nil	Nil

Auditors

The auditors, Silver Altman will be proposed for re-appointment in accordance with Section 385(2) of the Companies Act 1985.

By order of the board



L.W.Melville
Director

13 November 1998

L.D.M. FINANCE COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES FOR PREPARING THE FINANCIAL STATEMENTS

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 at the end of the financial year and of the profit or loss of the Company for that year. 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; 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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

AUDITORS' REPORT TO THE SHAREHOLDERS OF

L.D.M. FINANCE COMPANY LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2, the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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.

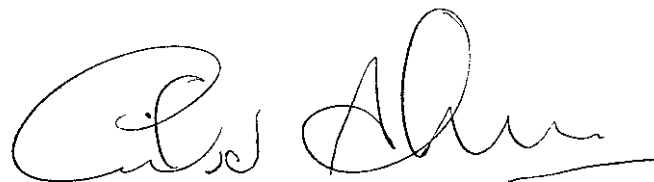
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregular activity 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 30th April 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

8 Baltic Street East,
London, EC1Y 0UP.

13th November 1998



Chartered Accountants
Registered Auditors

L.D.M. FINANCE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH APRIL 1998

	Note	1998 £	1997 £
Turnover	2	64,031	91,635
Interest receivable	4	85	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		64,116	91,635
Taxation	5	(4,096)	(21,266)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		60,020	70,369
Balance brought forward		634,959	564,590
		<hr/>	<hr/>
Balance carried forward		£ 694,979	£ 634,959
		<hr/> <hr/>	<hr/> <hr/>

Continuing operations

None of the Company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

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


The notes on pages 6 and 7 form part of these financial statements

L.D.M. FINANCE COMPANY LIMITED
BALANCE SHEET AS AT 30TH APRIL 1998

	Note	1998 £	1997 £
Current assets			
Amount due from partnership			
Capital account		2,319	2,319
Current account		697,700	655,834
		<hr/>	<hr/>
		700,019	658,153
Creditors: amounts falling due within one year			
Taxation		(2,569)	(20,723)
		<hr/>	<hr/>
Net current assets		697,450	637,430
Creditors: amounts falling due after more than one year			
Debenture loan	6	(2,371)	(2,371)
		<hr/>	<hr/>
Net assets		£ 695,079	£ 635,059
		<hr/> <hr/>	<hr/> <hr/>
Represented by:			
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account		694,979	634,959
		<hr/>	<hr/>
Equity shareholders' funds		£ 695,079	£ 635,059
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 6 and 7 form part of these financial statements.

These financial statements were approved by the board and signed on its behalf by:


.....L.W. Melville

13 November 1998

L.D.M. FINANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 1998

1 Accounting policies

(a) Basis of accounting

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

(b) Cash flow statement

The Company is entitled to the exemptions available to small companies under the Companies Act 1985 and therefore no cash flow statement is included in the financial statements.

2 Turnover

Turnover represents the Company's share of the profits from a partnership whose principal activities during the year were the provision of finance, leasing of capital equipment and dealing in securities conducted under the name of Melville Trading Trusts.

3 Employee information

The directors are the only employees of the Company. No remuneration was paid in the year.

4 Interest receivable

	1998	1997
Corporation tax repayment supplement	£ 85	£ -
	<u> </u>	<u> </u>

5 Taxation

The Company's share of the tax charge on the profit on ordinary activities for the year was as follows:

	1998	1997
	£	£
Corporation tax at 21% (1997: 33%) based on the profit for the year	13,731	30,805
Overprovision for corporation tax in previous years	(9,659)	(9,625)
Income tax and tax credits	11,186	10,169
Taxation recoverable	(11,162)	(10,083)
	<u> </u>	<u> </u>
	£ 4,096	£ 21,266
	<u> </u>	<u> </u>

6 Debenture loan

The debenture loan is due to the overseas holding company and is interest free until demand for repayment is made. There is no fixed date for repayment. The debenture creates a first fixed charge over all the Company's fixed assets including all the goodwill and uncalled share capital for the time being and a first floating charge over all other undertakings and assets of the company.

L.D.M. FINANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 1998

7 Share capital

	1998	1997
Authorised		
1,000 ordinary shares of £1 each	£ 1,000	£ 1,000
	=====	=====
Allotted and fully paid		
100 ordinary shares of £1 each	£ 100	£ 100
	=====	=====

8 Reconciliation of movements in equity shareholders' funds

	1998	1997
	£	£
Profit for the financial year	60,020	70,369
Equity shareholders' funds at 1st May 1997	635,059	564,690
	-----	-----
Equity shareholders' funds at 30th April 1998	£ 695,079	£ 635,059
	=====	=====

9 Holding company

The Company's holding company is Cyclamen Investments Limited, incorporated under the laws of the Commonwealth of the Bahamas

10 Related party transactions

Directors' interests in contracts

The directors are also directors of the two companies which are the other members of the partnership which conducts business under the name of Melville Trading Trusts.

Ultimate controlling party

The Company regards L.W.Melville, director, as its ultimate controlling party. He was also the ultimate controlling party in the previous financial year.