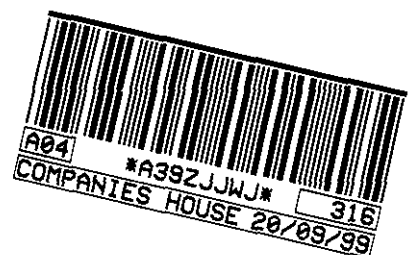


SHALIT ENTERTAINMENT LIMITED
ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 1998

Registered number: 2669035



HOWARD S MARKHAM & COMPANY

CHARTERED ACCOUNTANTS

London

SHALIT ENTERTAINMENT LIMITED

ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31 December 1998

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SHALIT ENTERTAINMENT LIMITED

ABBREVIATED BALANCE SHEET

at 31 December 1998

	Note	1998 £	1997 £
Fixed assets			
Tangible assets	2	27,085	3,254
Current assets			
Debtors		94,354	19,184
Cash at bank and in hand		22,494	5,230
		<u>116,848</u>	<u>24,414</u>
Creditors: amounts falling due within one year		(271,353)	(172,264)
Net current liabilities		<u>(154,505)</u>	<u>(147,850)</u>
Total assets less current liabilities		<u>(127,420)</u>	<u>(144,596)</u>
Creditors: amounts falling due after more than one year		(1,326)	-
		<u>(128,746)</u>	<u>(144,596)</u>
Capital and reserves			
Called up share capital	3	100	100
Profit and loss account		<u>(128,846)</u>	<u>(144,696)</u>
Total shareholders' funds		<u>(128,746)</u>	<u>(144,596)</u>

The director considers that for the year ended 31 December 1998 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and 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.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

The abbreviated financial statements on pages 1 and 2 were approved by the board of directors on 7 July 1999 and signed on its behalf by:

J Shalit
Director

SHALIT ENTERTAINMENT LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Computer equipment	- 25% straight line basis
Fixtures fittings and equipment	- 25% straight line basis

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Fixed assets

Cost	Tangible fixed assets £
1 January 1998	56,181
Additions	34,607
31 December 1998	90,788
Depreciation	
1 January 1998	52,927
Charge for the year	10,776
31 December 1998	63,703
Net book amount	
31 December 1998	27,085
31 December 1997	3,254

SHALIT ENTERTAINMENT LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1998

3 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
Allotted called up and fully paid				
Equity shares				
Ordinary shares of £1 each	100	100	100	100

4 Directors' current account balances

Other creditors includes the following amounts which are owed to individuals who are directors of the company:-

	1998	1997
	£	£
Mr J. Shalit	93,417	87,659