

MULTICONTINENTAL DISTRIBUTION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

Edwards & Co.
Clinch's House, Lord Street
Douglas
Isle Of Man
IM99 1RZ



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Registered Office
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London
Great Britain
W1X 1FE

MULTICONTINENTAL DISTRIBUTION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1996

The directors present their report and financial statements for the year ended 31 December 1996.

Principal Activities and Review of the Business

The principal activity of the company continued to be that of the provision of administrative support services.

Results and Dividends

The results for the year are set out on page 4.

It is proposed that the retained profit of Sfr 366,755 is transferred to reserves.

Directors

The following directors have held office during the year

F M Forrai	(Appointed 20 August 1997)
J Butterfield	(Appointed 20 August 1997)
A.J Weir	(Appointed 1 July 1996)
M.W. Denton	
D.P Capelen	(Resigned 1 July 1996)
C.G.M De Carteret	(Resigned 20 August 1997)
J.R. Beardsley	(Resigned 13 December 1996)

The Directors had no interest in the issued share capital of the company.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Edwards & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' Responsibilities

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 and of the profit or loss of the company for that period. 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 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.

By order of the Board



A.J Weir

Date 26/11/97

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MULTICONTINENTAL DISTRIBUTION LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF MULTICONTINENTAL DISTRIBUTION LIMITED**

We have audited the financial statements on pages 4 to 8 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 1 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, except that the scope of our work was limited as explained below. 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 misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because we were unable to obtain independent confirmation of the bank accounts and related information and have relied solely on bank statements provided to us to confirm bank balances held by the company. There were no other satisfactory audit procedures that we could adopt to confirm that all bank transactions were properly recorded.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

MULTICONTINENTAL DISTRIBUTION LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF MULTICONTINENTAL DISTRIBUTION LIMITED**

Opinion

Except for any adjustments or additional disclosures that may have been found to be necessary had we obtained independent confirmation of the bank balances, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our audit work relating to the above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

In all other respects, we have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

Edwards & Co.

Edwards & Co.

Chartered Accountants
Registered Auditor

26/11/97
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MULTICONTINENTAL DISTRIBUTION LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1996**

	Notes	1996 Sfr	1995 Sfr
Turnover	2	536,168	500,825
Administrative expenses		(24,730)	(15,323)
Operating profit	3	511,438	485,502
Other interest receivable and similar income	4	2,408	-
Profit on ordinary activities before taxation		513,846	485,502
Tax on profit on ordinary activities	5	(147,091)	(123,960)
Profit on ordinary activities after taxation	10	366,755	361,542

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.

MULTICONTINENTAL DISTRIBUTION LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 1996**

	Notes	1996 Sfr	Sfr	1995 Sfr	Sfr
Fixed Assets					
Investments	6		36		36
Current Assets					
Debtors	7	1,123,086		659,615	
Cash at bank and in hand		9,149		2,257	
		<u>1,132,235</u>		<u>661,872</u>	
Creditors: amounts falling due within one year	8	<u>(278,429)</u>		<u>(174,821)</u>	
Net Current Assets			853,806		487,051
Total Assets Less Current Liabilities			<u>853,842</u>		<u>487,087</u>
Capital and Reserves					
Called up share capital	9		2,257		2,257
Profit and loss account	10		851,585		484,830
Shareholders' Funds - equity interests	11		<u>853,842</u>		<u>487,087</u>

The financial statements were approved by the Board on 26/11/97


A.J. Weir
Director

MULTICONTINENTAL DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1996

1 Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

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

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Foreign currency translation

The company's accounting records are maintained in Swiss Francs.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.5 Cash Flow

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.

2 Turnover

The company's turnover represents its share of income wholly derived from its principal activity.

3 Operating Profit

	1996 Sfr	1995 Sfr
Operating profit is stated after charging:		
Auditors' remuneration	3,221	2,000
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4 Other Interest Receivable and Similar Income

	1996 Sfr	1995 Sfr
Profit on Exchange	2,408	-
	<hr/>	<hr/>

5 Taxation

	1996 Sfr	1995 Sfr
U.K. Current year taxation		
U.K. Corporation tax at 28% (1995 - 25%)	147,091	123,960
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MULTICONTINENTAL DISTRIBUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1996**

6 Fixed Asset Investments

	Unlisted investments
	Sfr
Cost	
At 1 January 1996 & at 31 December 1996	36
At 31 December 1995	36

The investment represents a 5% interest in the Chrono Trade Group.

7 Debtors	1996	1995
	Sfr	Sfr
Trade debtors	1,123,086	659,615

8 Creditors: amounts falling due within one year	1996	1995
	Sfr	Sfr
Corporation tax	271,051	170,498
Other creditors	7,378	4,323
	278,429	174,821

9 Share Capital

The authorised share capital of the Company comprises 10000 Ordinary shares of £1 each of which 1000 have been issued and are fully paid up (1995 - 1000)

10 Statement of Movements on Profit and Loss Account

	Profit and loss account
	Sfr
Balance at 1 January 1996	484,830
Retained profit for the year	366,755
Balance at 31 December 1996	851,585

MULTICONTINENTAL DISTRIBUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1996**

11 Reconciliation of Movements in Shareholders' Funds	1996 Sfr	1995 Sfr
Profit for the financial year	366,755	361,542
Opening shareholders' funds	487,087	125,545
	<hr/>	<hr/>
Closing shareholders' funds	853,842	487,087
	<hr/>	<hr/>

12 Employees

Number of employees

There were no employees during the year apart from the directors

13 Ultimate Controlling Party

The directors are not aware of the identity of the ultimate controlling party.