

Company Registration No. 2830597

MULTICONTINENTAL DISTRIBUTION LIMITED

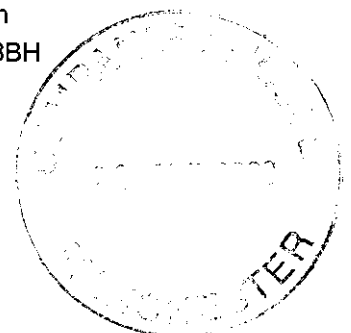
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998



3323-A-1998

Registered Office  
60 Welbeck Street  
London  
W1M 8BH



# MULTICONTINENTAL DISTRIBUTION LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1998

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The directors present their report and financial statements for the year ended 31 December 1998.

### 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 3.

### Fixed assets

The significant changes in fixed assets during the year are explained in note 8 to the financial statements.

### Year 2000

The year 2000 issue had no effect on the company's operations or financial results for the year under review, including the extent to which the company was at risk from failure by other parties to remedy their year 2000 issues.

At the date of this report, there may be some further residual risk and uncertainty surrounding this issue. However, the Board have considered these potential risks and uncertainties. This included reviewing the company's business, operations and its relationships with customers, suppliers and other relevant bodies, as well as all key dates. The Board believes that it has achieved an acceptable state of readiness and will continue to monitor any year 2000 issues on a regular basis.

The company has not incurred significant costs during the consideration of this problem.

### Directors

The following directors have held office since 1 January 1998:

A.J Weir	(Resigned 1 June 1998)
F M Forrai	(Resigned 1 June 1998)
J Butterfield	(Resigned 1 June 1998)
F. Parsons	(Appointed 1 June 1998)
A.M. Taylor	(Appointed 1 June 1998)
L.R. Taylor	(Appointed 1 June 1998)
M.W. Denton	(Resigned 1 June 1998)

The directors have 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 Matthew Edwards & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

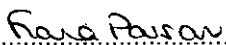
### Directors' responsibilities

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

  
.....  
**F. Parsons (Director)**

Date : **27 APR 2000**

**MATTHEW EDWARDS & CO**  
CHARTERED ACCOUNTANTS

P.O. Box 227, Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ  
Telephone: +44 (0) 1624 663166 Facsimile: +44 (0) 1624 677108  
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**AUDITORS' REPORT  
TO THE SHAREHOLDERS OF MULTICONTINENTAL DISTRIBUTION LIMITED**

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We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

**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. 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. 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 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Matthew Edwards & Co.*

**Matthew Edwards & Co.**  
Chartered Accountants  
**Registered Auditor**

*27-4-00*  
Clinch's House, Lord Street  
Douglas, Isle Of Man  
IM99 1RZ

**MULTICONTINENTAL DISTRIBUTION LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1998**

	Notes	1998 SFR	1997 SFR
<b>Turnover</b>	<b>2</b>	880,720	640,438
Administrative expenses		(14,969)	(13,905)
<b>Operating profit</b>	<b>3</b>	865,751	626,533
Other interest receivable and similar income	<b>4</b>	466	469
Interest payable and similar charges	<b>5</b>	(1,976)	(39,711)
<b>Profit on ordinary activities before taxation</b>		864,241	587,291
Tax on profit on ordinary activities	<b>6</b>	(270,196)	(188,417)
<b>Profit on ordinary activities after taxation</b>		594,045	398,874
Dividends	<b>7</b>	-	(500,000)
<b>Retained profit/(loss) for the year</b>	<b>12</b>	594,045	(101,126)
<b>Profit brought forward at 1 January 1998</b>		750,459	851,585
<b>Profit carried forward at 31 December 1998</b>		1,344,504	750,459

All of the company's activities are derived from 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 1998**

	Notes	1998 SFR	1997 SFR
<b>Fixed assets</b>			
Investments	8	36	36
<b>Current assets</b>			
Debtors	9	1,271,800	933,473
Cash at bank and in hand		360,228	16,344
		<u>1,632,028</u>	<u>949,817</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(285,303)</u>	<u>(197,137)</u>
<b>Net current assets</b>		<u>1,346,725</u>	<u>752,680</u>
<b>Total assets less current liabilities</b>		<u><u>1,346,761</u></u>	<u><u>752,716</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	2,257	2,257
Profit and loss account	12	1,344,504	750,459
<b>Shareholders' funds - equity interests</b>	13	<u><u>1,346,761</u></u>	<u><u>752,716</u></u>

The financial statements were approved by the Board on **27 APR 2000**

*F. Parsons*  
.....  
**F. Parsons (Director)**

# MULTICONTINENTAL DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

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### 1 Accounting policies

#### 1.1 Accounting convention

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

#### 1.2 Investments

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

#### 1.3 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.

#### 1.4 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

Turnover represents the company's share of income derived from its principal activity.

3 Operating profit	1998	1997
	SFR	SFR
Operating profit is stated after charging:		
Auditors' remuneration	2,858	-
Audit and accountancy fees	-	843
	<u>2,858</u>	<u>843</u>

4 Other interest receivable and similar income	1998	1997
	SFR	SFR
Bank interest	466	469
	<u>466</u>	<u>469</u>

5 Interest payable and similar expenses	1998	1997
	SFR	SFR
On overdue tax	-	3,617
Loss on foreign exchange	1,976	36,094
	<u>1,976</u>	<u>39,711</u>

**MULTICONTINENTAL DISTRIBUTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 1998**

<b>6</b>	<b>Taxation</b>	<b>1998</b>	<b>1997</b>
		<b>SFR</b>	<b>SFR</b>
	<b>Current year taxation</b>		
	U.K. corporation tax at 31.00% (1997- 31.00%)	270,196	188,417
		<u>270,196</u>	<u>188,417</u>

<b>7</b>	<b>Dividends</b>	<b>1998</b>	<b>1997</b>
		<b>SFR</b>	<b>SFR</b>
	Ordinary paid	-	500,000
		<u>-</u>	<u>500,000</u>

<b>8</b>	<b>Fixed asset investments</b>	<b>Unlisted investments SFR</b>
	<b>Cost</b>	
	At 1 January 1998 & at 31 December 1998	36
	<b>Net book value</b>	
	At 31 December 1998	36
	At 31 December 1997	36

The investment represents a 5% interest in the Chrono Trade Group and is stated at cost.

<b>9</b>	<b>Debtors</b>	<b>1998</b>	<b>1997</b>
		<b>SFR</b>	<b>SFR</b>
	Trade debtors	1,271,800	933,473
		<u>1,271,800</u>	<u>933,473</u>

<b>10</b>	<b>Creditors: amounts falling due within one year</b>	<b>1998</b>	<b>1997</b>
		<b>SFR</b>	<b>SFR</b>
	Corporation tax	270,196	188,417
	Other creditors	15,107	8,720
		<u>285,303</u>	<u>197,137</u>

**11 Share Capital**

The authorised share capital of the Company comprises 10000 Ordinary £1 shares of which 1000 have been issued and are fully paid up (1997 - 1000).

**MULTICONTINENTAL DISTRIBUTION LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 1998****12 Statement of movements on profit and loss account**

	<b>Profit and loss account SFR</b>
Balance at 1 January 1998	750,459
Retained profit for the year	594,045
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Balance at 31 December 1998	1,344,504
	<hr/>

**13 Reconciliation of movements in shareholders' funds**

	<b>1998 SFR</b>	<b>1997 SFR</b>
Profit for the financial year	594,045	398,874
Dividends	-	(500,000)
	<hr/>	<hr/>
Net addition to/(depletion in) shareholders' funds	594,045	(101,126)
Opening shareholders' funds	752,716	853,842
	<hr/>	<hr/>
Closing shareholders' funds	1,346,761	752,716
	<hr/>	<hr/>

**14 Contingent liabilities**

There were no known contingent liabilities at the balance sheet date.

**15 Capital commitments**

There were no major capital commitments at the balance sheet date.

**16 Employees****Number of employees, wages and salaries**

There were no employees during the year apart from the directors. The directors received no remuneration during the year.

**17 Ultimate Controlling Party and Related party transactions**

The directors are not aware of the ultimate controlling party, transactions related thereto and any other related party transactions.