

**EUROPEAN FUTURES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 1999**

12792-B-1999

**Registered Office**  
Suite 205, Moghul House  
57 Grosvenor Street  
Mayfair  
London  
W1X 9DA



# EUROPEAN FUTURES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1999

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The directors present their report and financial statements for the year ended 30 June 1999.

### Principal activities and review of the business

The principal activity of the company is the exploitation of royalties.

### Results and dividends

The results for the year are set out on page 3.

### Directors

The following directors have held office since 1 July 1998:

A.M. Taylor

L.R. Taylor

A.J. Weir (Resigned 31 July 1998)

J. Tabone (Appointed 31 July 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.

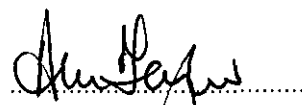
### Directors' responsibilities

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

  
A.M. Taylor (Director)

Date : 1.5.00

**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  
+44 (0) 171 950 9800 +44 (0) 171 437 9509  
E-mail audit@matthew-edwards.com

**AUDITORS' REPORT  
TO THE SHAREHOLDERS OF EUROPEAN FUTURES 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, 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 these details.

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 30 June 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

01-05-00

Clinch's House, Lord Street  
Douglas, Isle Of Man  
IM99 1RZ

**EUROPEAN FUTURES LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 1999**

	Notes	1999 £	1998 £
Turnover	2	438,098	235,273
Cost of sales		(381,973)	(204,754)
<b>Gross profit</b>		56,125	30,519
Administrative expenses		(4,233)	(6,520)
<b>Operating profit</b>	3	51,892	23,999
Other interest receivable and similar income	4	-	109
Interest payable and similar charges	5	(349)	-
<b>Profit on ordinary activities before taxation</b>		51,543	24,108
Tax on profit on ordinary activities	6	(34,968)	(19,071)
<b>Profit on ordinary activities after taxation</b>	10	16,575	5,037
<b>Profit brought forward at 1 July 1998</b>		10,767	5,730
<b>Profit carried forward at 30 June 1999</b>		27,342	10,767

All of the company's activities are derived from continuing operations.

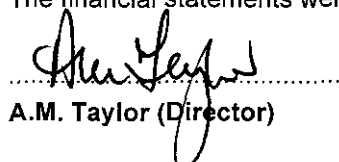
There are no recognised gains and losses other than those passing through the profit and loss account.

EUROPEAN FUTURES LIMITED

BALANCE SHEET  
AS AT 30 JUNE 1999

	Notes	1999 £	£	1998 £	£
<b>Current assets</b>					
Debtors	7	127,727		2,425	
Cash at bank and in hand		22,414		18,224	
		<u>150,141</u>		<u>20,649</u>	
<b>Creditors: amounts falling due within one year</b>					
	8	<u>(121,799)</u>		<u>(8,882)</u>	
<b>Total assets less current liabilities</b>			<u>28,342</u>		<u>11,767</u>
<b>Capital and reserves</b>					
Called up share capital	9		1,000		1,000
Profit and loss account	10		27,342		10,767
<b>Shareholders' funds - equity interests</b>			<u>28,342</u>		<u>11,767</u>

The financial statements were approved by the Board on 1.5.00

  
A.M. Taylor (Director)

# EUROPEAN FUTURES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1999

### 1 Accounting policies

#### 1.1 Accounting convention

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

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 Foreign currency translation

The company's accounting records are maintained in Pounds Sterling.

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.

### 2 Turnover

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

<b>3 Operating profit</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Audit and accountancy fees	851	500
	<u>          </u>	<u>          </u>
<b>4 Other interest receivable and similar income</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Profit on foreign exchange	-	109
	<u>          </u>	<u>          </u>
	-	109
	<u>          </u>	<u>          </u>
<b>5 Interest payable and similar expenses</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Loss on foreign exchange	349	-
	<u>          </u>	<u>          </u>
	349	-
	<u>          </u>	<u>          </u>

EUROPEAN FUTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 1999

6	Taxation	1999 £	1998 £
	<b>Current year taxation</b>		
	U.K. corporation tax at 30.00% (1998 - 31.00%)	15,850	7,473
	Irrecoverable Withholding Tax	19,118	-
		<u>34,968</u>	<u>7,473</u>
	<b>Prior years</b>		
	U.K. corporation tax	-	11,598
		<u>34,968</u>	<u>19,071</u>

7	Debtors	1999 £	1998 £
	Trade debtors	125,100	2,000
	Other debtors	2,152	-
	Prepayments and accrued income	475	425
		<u>127,727</u>	<u>2,425</u>

8	Creditors: amounts falling due within one year	1999 £	1998 £
	Trade creditors	110,195	-
	Other creditors	5,799	2,152
	Accruals and deferred income	5,805	6,730
		<u>121,799</u>	<u>8,882</u>

9 Share Capital

The authorised share capital of the Company comprises 1000 ordinary £1 shares of which 1000 have been issued and are fully paid up (1998 - 1000).

**EUROPEAN FUTURES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 1999**

**10 Statement of movements on profit and loss account**

	Profit and loss account £
Balance at 1 July 1998	10,767
Retained profit for the year	16,575
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Balance at 30 June 1999	27,342
	<hr/>

11 Reconciliation of movements in shareholders' funds	1999 £	1998 £
Profit for the financial year	16,575	5,037
Opening shareholders' funds	11,767	6,730
	<hr/>	<hr/>
Closing shareholders' funds	28,342	11,767
	<hr/>	<hr/>

**12 Contingent liabilities**

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

**13 Capital commitments**

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

**14 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.

**15 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.