

Company Registration No. 3092261

AMENDED

EUROPEAN FUTURES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997

12792-PE-1997

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



EUROPEAN FUTURES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1997

The directors present their report and financial statements for the year ended 30 June 1997.

Principal Activities and Review of the Business

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

The company was dormant to the period ended 30th June 1996 and commenced trading on 4th October 1996.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and Dividends

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

It is proposed that the retained profit of £ 5,730 is transferred to reserves.

Directors

The following directors have held office since the beginning of the year

J Butterfield	(Appointed 20 August 1997 and resigned 1 June 1998)
F M Forrai	(Appointed 20 August 1997 and resigned 1 June 1998)
A.J Weir	(Appointed 25 September 1996 and resigned 31 July 1998)
M.W. Denton	(Resigned 20 August 1997)
J.R. Beardsley	(Resigned 13 December 1996)
A M Taylor	(Appointed 1 June 1998)
L R Taylor	(Appointed 1 June 1998)
J Tabone	(Appointed 31 July 1998)

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 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


J Tabone

Date: 05 NOV 1998

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 edwards@bentinck.com

EUROPEAN FUTURES LIMITED

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

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

EUROPEAN FUTURES LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF EUROPEAN FUTURES LIMITED**

Qualified opinion arising from limitation in audit scope

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 30 June 1997 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.

Matthew Edwards & Co

Matthew Edwards & Co.

Chartered Accountants
Registered Auditor

5/11/98

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

EUROPEAN FUTURES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1997

	Notes	1997 £	1996 £
Turnover	2	209,700	-
Cost of sales		(182,394)	-
Gross profit		27,306	-
Administrative expenses		(4,538)	-
Operating profit	3	22,768	-
Interest payable and similar charges	4	(342)	-
Profit on ordinary activities before taxation		22,426	-
Tax on profit on ordinary activities	5	(16,696)	-
Profit on ordinary activities after taxation	9	5,730	-

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.

EUROPEAN FUTURES LIMITED

BALANCE SHEET
AS AT 30 JUNE 1997

	Notes	1997 £	£	1996 £	£
Current Assets					
Debtors	6	1,498		-	
Cash at bank and in hand		7,834		1,000	
		<u>9,332</u>		<u>1,000</u>	
Creditors: amounts falling due within one year	7	<u>(2,602)</u>		<u>-</u>	
Total Assets Less Current Liabilities			<u>6,730</u>		<u>1,000</u>
Capital and Reserves					
Called up share capital	8		1,000		1,000
Profit and loss account	9		5,730		-
Shareholders' Funds - equity interests	10		<u>6,730</u>		<u>1,000</u>

The financial statements were approved by the Board on 05 NOV 1998


J Tabone
Director

EUROPEAN FUTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

1 Accounting Policies

1.1 Accounting convention

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

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.

1.3 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 income derived from its principal activity.

3 Operating Profit	1997	1996
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	450	-
	<u> </u>	<u> </u>
4 Interest Payable and Similar Charges	1997	1996
	£	£
Loss on exchange	342	-
	<u> </u>	<u> </u>
5 Taxation	1997	1996
	£	£
U.K. Current year taxation		
Foreign withholding tax suffered	16,696	-
	<u> </u>	<u> </u>
6 Debtors	1997	1996
	£	£
Trade debtors	1,000	-
Prepayments and accrued income	498	-
	<u> </u>	<u> </u>
	1,498	-
	<u> </u>	<u> </u>

EUROPEAN FUTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997**

7 Creditors: amounts falling due within one year	1997	1996
	£	£
Other creditors	2,152	-
Accruals and deferred income	450	-
	<u>2,602</u>	<u>-</u>

8 Share Capital

The authorised share capital of the Company comprises 1000 ordinary £1 shares all of which have been issued and are fully paid up (1996 - 1000)

9 Statement of Movements on Profit and Loss Account

	Profit and loss account £
Retained profit for the year	5,730
Balance at 30 June 1997	<u>5,730</u>

10 Reconciliation of Movements in Shareholders' Funds	1997	1996
	£	£
Profit for the financial year	5,730	-
Proceeds from issue of shares	-	1,000
Net addition to shareholders' funds	<u>5,730</u>	<u>1,000</u>
Opening shareholders' funds	1,000	-
Closing shareholders' funds	<u>6,730</u>	<u>1,000</u>

11 Contingent liabilities

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

12 Capital Commitments

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

13 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.

EUROPEAN FUTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997**

14 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.