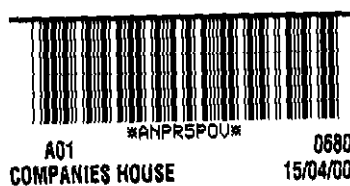


MCM (Europe) Limited

Report for the year ended

30 June 1999

Registered number 3094797



MCM (Europe) Limited

Report for the year ended 30 June 1999

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MCM (Europe) Limited

Directors' report For the year ended 30 June 1999

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

Results for the year

The profit and loss account for the year ended 30 June 1999 is set out on page 4.

Dividends

The directors recommended the payment of a £420,000 dividend during the year. This was fully paid at the year end.

Review of the business

The principal activity of the Company is the provision of financial information. The directors are satisfied with the trading result for the year and continue to pursue opportunities in this market.

Directors and their interests

The directors during the financial year all of whom have been directors for the whole year were:

D D Nixon – Chairman
M A Cook
L F Gell
D McDonnell

None of the directors had any interest in the shares of the company or its parent required to be disclosed in accordance with the Companies Act.

Year 2000

During the year formal procedures were put in place to identify the full impact of the year 2000 on the company. A project was established allowing all systems which were identified as requiring an upgrade to be made compliant. At the date of signing this report, the project has been completed and all systems are now year 2000 compliant. The cost was not significant to the company.

Auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the next general meeting.

MCM (Europe) Limited

Directors' Report For the year ended 30 June 1999

Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 June 1999. The directors also confirm that applicable accounting standards have been followed and that the statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, 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



3 November 1999

MCM (Europe) Limited

Report of the auditors to the members of MCM (Europe) Limited

We have audited the financial statements on pages 4 to 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 2 of the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Opinion

We conduct 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 consider 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 presentations 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 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.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Croydon

8 November 1999

MCM (Europe) Limited

Profit and loss account For the year ended 30 June 1999

| | Notes | 1999 £ | 1998 £ 6 months |
|---|-------|-------------|-----------------------|
| Turnover | 1 | 4,999,494 | 1,932,257 |
| Administration expenses | | (4,583,954) | (1,777,284) |
| Operating profit and profit on ordinary activities before tax | 2 | 415,540 | 154,973 |
| Tax on ordinary activities | 5 | (125,777) | (53,803) |
| Profit for the period | | 289,763 | 101,170 |
| Dividends paid | | (420,000) | - |
| Retained profit/(loss) for the period | 12 | (130,237) | 101,170 |

The company has no recognised gains or losses other than the profit for the period above and therefore no separate statement of recognised gains and losses has been presented.

Turnover and expenditure relates to continuing activities.

There is no difference between the profit on ordinary activities before tax and the retained profit for the period stated above and their historical cost equivalents.

MCM (Europe) Limited

Balance Sheet at 30 June 1999

| | Notes | 30 June 1999 £ | 30 June 1998 £ |
|---|-------|----------------------|----------------------|
| Fixed assets | | | |
| Tangible assets | 6 | 389,409 | 95,892 |
| Current assets | | | |
| Debtors | 7 | 262,359 | 612,380 |
| Cash at bank and in hand | | 95,684 | 78,189 |
| | | 358,043 | 690,569 |
| Creditors: amounts falling due within one year | 8 | (476,187) | (384,959) |
| Net current (liabilities)/assets | | (118,144) | 305,610 |
| Total assets less current liabilities | | 271,265 | 401,502 |
| Provisions: Deferred taxation | 9 | - | - |
| Net assets | | 271,265 | 401,502 |
| Capital and reserves | | | |
| Called up share capital | 10 | 10,000 | 10,000 |
| Share premium account | 11 | 88,335 | 88,335 |
| Profit and loss account | 11 | 172,930 | 303,167 |
| Equity shareholder's funds | 12 | 271,265 | 401,502 |

The financial statements on pages 4 to 10 were approved by the board of directors on 3 November 1999 and were signed on its behalf by:

Director 

MCM (Europe) Limited

Notes to the financial statements For the year ended 30 June 1999

1 Principal accounting policies

These financial statements have been prepared under the historical cost convention in accordance with applicable Accounting and Financial Reporting Standards in the United Kingdom. A summary of the principal accounting policies, which have been applied consistently is set out below.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise. Full provision is made for deferred taxation on timing differences arising from the provision of employee pensions and other post-retirement benefits.

Depreciation

The company provides for depreciation of equipment and leasehold improvements using the straight line method at the following rates:

| | |
|------------------------|----------|
| Equipment | 20 – 25% |
| Leasehold improvements | 10% |

Pensions

The Company operates a defined contribution scheme for employees which is insured. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Foreign exchange

Normal trading activities denominated in foreign currencies are recorded in sterling at the exchange rates as of the date of the transaction. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end.

Turnover

Turnover represents amounts receivable from the ultimate parent company in respect of services supplied in the UK, and in the opinion of the directors comprises one business segment only.

Cash flow statement

The company has adopted Financial Reporting Standards 1 and under the exemptions allowed for small companies has not prepared a Cash Flow Statement.

MCM (Europe) Limited

2 Profit on ordinary activities before tax

This is stated after charging:

| | 1999 £ | 1998 £ 6 months |
|------------------------|-----------|-----------------------|
| Depreciation | 81,954 | 18,907 |
| Auditors' remuneration | 6,000 | 10,000 |

3 Directors' emoluments

The remuneration payable to the directors for the year ended 30 June 1999 was as follows:

| | 1999 £ | 1998 £ 6 months |
|-----------------------|----------------|-----------------------|
| Aggregate emoluments | 525,007 | 129,857 |
| Pension contributions | 32,196 | 17,810 |
| | <u>557,203</u> | <u>147,667</u> |

Retirement benefits are accruing to two directors under a defined contribution pension scheme.

The directors emoluments disclosed above includes amounts paid to the highest paid director:

| | 1999 £ | 1998 £ 6 months |
|-----------------------|----------------|-----------------------|
| Aggregate emoluments | 292,190 | 55,637 |
| Pension contributions | 16,425 | 7,160 |
| | <u>308,615</u> | <u>62,797</u> |

4 Employees

| | 1999 £ | 1998 £ 6 months |
|--|------------------|-----------------------|
| Employees' remuneration (including directors) and related costs during the year amounted to: | | |
| Wages and salaries | 2,527,495 | 845,482 |
| Social security costs | 260,623 | 82,072 |
| Other pension costs | 155,871 | 77,598 |
| Total | <u>2,943,989</u> | <u>1,005,152</u> |

The average monthly number of employees during the year was 41 (1998: 36)

MCM (Europe) Limited

5 Taxation

| | 1999 £ | 1998 £ 6 months |
|--|----------------|-----------------------|
| United Kingdom corporation tax at 30.75% (1997: 31.0%) | | |
| Current | 130,814 | 56,408 |
| Deferred | - | - |
| Over provision in respect of prior years | | |
| Current | (5,037) | - |
| Deferred | - | (2,605) |
| Adjustment to deferred tax balance due to changes in tax rates | | - |
| | <u>125,777</u> | <u>53,803</u> |

6 Tangible fixed assets

| | Leasehold Improvements £ | Equipment £ | Total £ |
|---------------------------|--------------------------------|----------------|----------------|
| Cost | | | |
| At 1 July 1998 | 44,316 | 152,396 | 196,712 |
| Additions | 217,420 | 158,051 | 375,471 |
| As at 30 June 1999 | <u>261,736</u> | <u>310,447</u> | <u>572,183</u> |
| Depreciation | | | |
| At 1 July 1998 | 12,128 | 88,692 | 100,820 |
| Provided in the period | 18,213 | 63,741 | 81,954 |
| As at 30 June 1999 | <u>30,341</u> | <u>152,433</u> | <u>182,774</u> |
| Net book value | | | |
| At 30 June 1999 | <u>231,395</u> | <u>158,014</u> | <u>389,409</u> |
| At 30 June 1998 | <u>32,188</u> | <u>63,704</u> | <u>95,892</u> |

MCM (Europe) Limited

7 Debtors

| | 1999 £ | 1998 £ |
|-------------------------------------|----------------|----------------|
| Amounts due from group undertakings | 87,542 | 548,387 |
| Other debtors | 51,922 | 8,699 |
| Prepayments and accrued income | 17,895 | 30,294 |
| Advance corporation tax recoverable | 105,000 | 25,000 |
| | <u>262,359</u> | <u>612,380</u> |

8 Creditors: amounts falling due within one year

| | 1999 £ | 1998 £ |
|---|----------------|----------------|
| Other creditors (including social security) | 233,863 | 60,001 |
| Corporation tax | 115,735 | 139,958 |
| Advance corporation tax payable | 105,000 | 25,000 |
| Accruals and deferred income | 21,589 | 60,000 |
| Proposed dividend | - | 100,000 |
| | <u>476,187</u> | <u>384,959</u> |

9 Deferred taxation

The deferred taxation provision included in the financial statements and the total potential (asset)/ liability are as follows:

| | Amount provided 1999 £ | Total potential liability 1999 £ | Amount provided 1998 £ | Total potential liability 1998 £ |
|--|---------------------------------|--|---------------------------------|--|
| Tax effect on timing differences: Excess of tax allowances over depreciation | - | 18,950 | - | (659) |

The movement on the provision for deferred taxation are as follows:

| | 1999 | 1998 |
|-------------------------------------|----------|----------|
| Provision at 1 July | - | 2,605 |
| Transfer to Profit and Loss account | - | (2,605) |
| Provision at 30 June | <u>-</u> | <u>-</u> |

MCM (Europe) Limited

10 Called up share capital

| | 1999 £ | 1998 £ |
|-----------------------------------|-----------|-----------|
| Authorised, issued and fully paid | | |
| 10,000 ordinary shares of £1 each | 10,000 | 10,000 |

11 Share premium account and reserves

| | Share premium account £ | Profit and loss account £ |
|------------------------------|-------------------------------|---------------------------------|
| At 1 July 1998 | 88,335 | 303,167 |
| Retained profit for the year | - | (130,237) |
| At 30 June 1999 | 88,335 | 172,930 |

12 Reconciliation of movement in shareholder's funds

| | 1999 £ | 1998 £ |
|---|-----------|-----------|
| Profit on ordinary activities after tax | 289,763 | 101,170 |
| Dividends | (420,000) | - |
| | (130,237) | 101,170 |
| Opening Shareholder's funds | 401,502 | 300,332 |
| Closing Shareholder's funds | 271,265 | 401,502 |

13 Ultimate parent company

The ultimate parent undertaking is Global Decisions Group LLC which is registered in the United States of America. Copies of the parent's consolidated accounts may be obtained from Global Decisions Group LLC, 590 Madison Avenue, Suite 18C New York, N.Y. USA 10022.

14 Related party transactions

The company has no transactions or balances with related parties that are required to be disclosed under Financial Reporting Standard 8: Related Party transactions