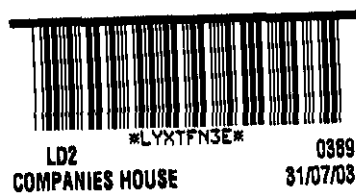


MATTEX GLOBAL INVESTMENTS LIMITED

Report and Financial Statements

31 December 2002



**Deloitte & Touche
London**

REPORT AND FINANCIAL STATEMENTS 2002

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REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

M Tessarollo

REGISTERED OFFICE

Hill House
1 Little New Street
London
EC4A 3TR

BANKERS

Barclays Bank Plc
Business Banking
Leicester
LE87 2BB

SOLICITORS

Gouldens
10 Old Bailey
London
EC4M 7NG

AUDITORS

Deloitte & Touche
London

DIRECTOR'S REPORT

The director presents his annual report and the audited financial statements for the year ended 31 December 2002.

REVIEW OF THE BUSINESS

The principal activity of the company is the provision of discretionary portfolio management and advisory services to intermediate customers. The company expects to continue in business for the coming year. As at the year end the company managed portfolios for three clients. The company is regulated by the Financial Services Authority.

RESULTS AND DIVIDEND

The results for the year are shown in the accounts. The director does not recommend the payment of a dividend. (2001: Nil)

DIRECTOR AND DIRECTORS' INTERESTS IN SHARES

The directors who held office during the year ended 31 December 2002 were as follows:

Matteo Tessarollo

Matt Mottahedan

Resigned 14 June 2002

AUDITORS

The company has elected to dispense with the obligation to appoint auditors annually. Deloitte & Touche are the appointed auditors.

Approved and signed by the sole director:



M Tessarollo
Director

19 March 2003

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

United Kingdom company law requires the director to prepare financial statements for each financial year which 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. *In preparing those financial statements, the director is required to*

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for the system of internal control for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATTEX GLOBAL INVESTMENTS LIMITED

We have audited the financial statements of Mattex Global Investments Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As described in the statement of director's responsibilities, the company's director is responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 1985. We also report if, in our opinion, the director's 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 the director's remuneration and transactions with the company is not disclosed.

We read the director's report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 director 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 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte and Touche

Chartered Accountants and Registered Auditors

London

19 March 2003

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2002

(period from 20 July 2000 to 31 December 2001)

	Note	Year ended 31 December 2002 £	Period ended 31 December 2001 £
TURNOVER	1	77,410	21,789
Administrative expenses		(111,689)	(124,375)
OPERATING LOSS	3	(34,279)	(102,586)
Tax on loss on ordinary activities		-	-
LOSS FOR THE FINANCIAL YEAR	10	(34,279)	(102,586)
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		(102,586)	-
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		(136,865)	(102,586)

The company was incorporated on 20 July 2000.

All turnover is in respect of continuing operations and was derived from within the United Kingdom.

There are no gains or losses in the current year or prior period other than those disclosed in the profit and loss account. Accordingly a statement of total recognised gains and losses is not required.

BALANCE SHEET
31 December 2002

	Note	2002 £	2001 £
TANGIBLE FIXED ASSETS	5	2,721	4,283
CURRENT ASSETS			
Debtors	6	5,320	20,085
Cash at bank and in hand		50,963	59,562
		56,283	79,647
CREDITORS: amounts falling due within one year	7	(17,394)	(21,516)
NET CURRENT ASSETS		38,889	58,131
TOTAL ASSETS LESS CURRENT LIABILITIES		41,610	62,414
CREDITORS: amounts falling due after one year	8	(13,475)	-
NET ASSETS		28,135	62,414
CAPITAL AND RESERVES			
Called up share capital	9,10	165,000	165,000
Profit and loss account	10	(136,865)	(102,586)
EQUITY SHAREHOLDERS' FUNDS	10	28,135	62,414

These financial statements were approved and signed by the sole director.



M Tessarollo

Director

19 March 2003

NOTES TO THE ACCOUNTS
Year ended 31 December 2002**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention using the following principal accounting policies.

Turnover

Turnover represents fees billed net of value added tax for discretionary investment management services, commission rebates from brokers for introducing customers and the services of an employee to Atlantic Capital Management Partners. All turnover is accounted for on an accruals basis.

Tangible fixed assets

Tangible fixed assets are shown at original historical cost. Depreciation is provided on cost in equal annual instalments over the estimated economic lives of the assets as follows:

Fixtures, fittings and equipment	-	25% per year
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Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax at a future date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 31 December 2002 £	Period ended 31 December 2001 £
Directors' remuneration		
Emoluments payable	26,567	31,410
	<u>2002</u> £	<u>2001</u> £
Employee costs during the year / period		
Wages and salaries	42,162	45,009
Social security costs	7,136	2,781
	<u>49,298</u>	<u>47,790</u>
	<u>No.</u>	<u>No.</u>
Average number of persons employed in all departments	2	3

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

3. OPERATING LOSS

	Year ended 31 December 2002 £	Period ended 31 December 2001 £
Operating loss is after charging:		
Depreciation	1,428	1,428
Auditors' remuneration - audit	3,000	3,000
- other services	2,000	7,000

4. FACTORS AFFECTING TAX CHARGE FOR THE CURRENT PERIOD

	Year ended 31 December 2002 £	Period ended 31 December 2001 £
Loss on ordinary activities before tax	(34,279)	(102,586)
Tax at 30% thereon	10,284	30,776
Effects of		
Expenses not deductible for tax purposes	(1,414)	-
Capital allowances in excess of depreciation	(469)	-
Profit on disposal	-	-
Loss on disposal of fixed assets	40	-
Unprovided tax losses carried forward	(8,443)	(30,776)
Current tax charge for the period	-	-

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

5. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £	Total £
Cost		
At 31 December 2001	5,711	5,711
Additions	-	-
Disposals	(268)	(268)
	<u>5,443</u>	<u>5,443</u>
At 31 December 2002		
Accumulated depreciation		
At 31 December 2001	1,428	1,428
Disposals	(134)	(134)
Charge for the year	1,428	1,428
	<u>2,722</u>	<u>2,722</u>
At 31 December 2002		
Net book value		
At 31 December 2002	<u>2,721</u>	<u>2,721</u>
At 31 December 2001	<u>4,283</u>	<u>4,283</u>

6. DEBTORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade debtors	3,993	18,793
Other debtors	1,327	1,292
	<u>5,320</u>	<u>20,085</u>

7. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Suppliers	29	-
VAT	3,424	-
Director's current account	-	2,666
Amounts owed to parent company	-	13,475
Accruals	13,941	5,375
	<u>17,394</u>	<u>21,516</u>

NOTES TO THE ACCOUNTS

Year ended 31 December 2002

8. CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR

	2002 £	2001 £
Amounts owed to parent company – subordinated loan.	13,475	-

On 10 October 2002 an amount owed to the parent company was converted to an interest free subordinated loan repayable on 16 October 2007.

9. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised:		
200,000 ordinary shares of £1 each	200,000	200,000
Allotted, called up and fully paid:		
165,000 ordinary shares of £1 each	165,000	165,000

10. STATEMENT OF MOVEMENTS ON RESERVES AND IN SHAREHOLDERS' FUNDS

	Issued share capital £	Profit and loss account £	Total £
At 31 December 2001	165,000	(102,586)	62,414
Loss for the financial year	-	(34,279)	(34,279)
At 31 December 2002	165,000	(136,865)	28,135

11. RELATED PARTY TRANSACTIONS

During the year rent of £13,800 was paid to M One Ltd, a company with the same ultimate controlling party as Mattex Global Investments Limited.

12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company is a wholly-owned subsidiary of Mattex Holdings Limited, a company incorporated in the British Virgin Islands. The ultimate controlling party of Mattex Global Investments Limited is Matteo Tessorollo, the director of this company.

In respect of intra group transactions, the company has taken advantage of the rules of FRS 8 not to disclose transactions with other parties 90% of whose voting rights are controlled within the group.

The consolidated financial statements of Mattex Holdings Ltd will be made available to the public and may be obtained from:

Mattex Holdings Ltd
C/O KPMG Private
Muhleemattsrasse 56
5001 Aarau
Switzerland