

**MATTEX GLOBAL INVESTMENTS
LIMITED**

Report and Financial Statements 2003

Deloitte & Touche LLP
London



REPORT AND FINANCIAL STATEMENTS 2003

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MATTEX GLOBAL INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

OFFICER 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 LLP
London

DIRECTOR'S REPORT

The director presents his annual report and the audited financial statements for the year ended 31 December 2003.

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 profit and loss account on page 5. The director does not recommend the payment of a dividend. (2002: £nil)

DIRECTOR AND DIRECTOR'S INTERESTS IN SHARES

The director who held office throughout the year ended 31 December 2003 was as follows:

Matteo Tessarollo

AUDITORS

On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company has given its consent to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 7 August 2003. Accordingly, a resolution for the reappointment of Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

Approved and signed by the sole director:



M. Tessarollo
Director

30 March 2004

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 2003 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 directors 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.

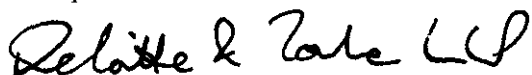
Basis of audit opinion

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 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

30 March 2004

MATTEX GLOBAL INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2003

	Note	Year ended 31 December 2003 £	Year ended 31 December 2002 £
TURNOVER	1	89,647	77,410
Administrative expenses		<u>(91,142)</u>	<u>(111,689)</u>
OPERATING LOSS AND LOSS BEFORE TAXATION	3	(1,495)	(34,279)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS AFTER TAXATION AND RETAINED FOR THE FINANCIAL YEAR	10	(1,495)	(34,279)
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		<u>(136,865)</u>	<u>(102,586)</u>
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		<u><u>(138,360)</u></u>	<u><u>(136,865)</u></u>

All the above is in respect of continuing operations.

There were no gains or losses in the current or prior year other than those disclosed in the profit and loss account.

Accordingly a statement of total recognised gains and losses is not required.

MATTEX GLOBAL INVESTMENTS LIMITED

BALANCE SHEET 31 December 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	5	2,718	2,721
CURRENT ASSETS			
Debtors	6	14,833	5,320
Cash at bank and in hand	7	40,861	50,963
		55,694	56,283
CREDITORS: amounts falling due within one year	8	(7,730)	(17,394)
NET CURRENT ASSETS		47,964	38,889
TOTAL ASSETS LESS CURRENT LIABILITIES		50,682	41,610
CREDITORS: amounts falling due after more than one year	9	(24,042)	(13,475)
NET ASSETS		26,640	28,135
CAPITAL AND RESERVES			
Called up share capital	11, 12	165,000	165,000
Profit and loss account	12	(138,360)	(136,865)
EQUITY SHAREHOLDERS' FUNDS	12	26,640	28,135

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



M. Tessarolo

Director

30 March 2004

NOTES TO THE ACCOUNTS

Year ended 31 December 2003

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom law and 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. The company has only one class of business; all turnover is derived in the UK.

Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation. 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 Tax

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 recognised as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 31 December 2003 £	Year ended 31 December 2002 £
Directors' remuneration		
Emoluments payable	17,000	26,567
	<u>2003</u> £	<u>2002</u> £
Employee costs during the year		
Wages and salaries	17,000	44,900
Social security costs	1,639	7,136
	<u>18,639</u>	<u>52,036</u>
	No.	No.
Average number of persons employed (including directors)	<u>2</u>	<u>2</u>

3. OPERATING LOSS BEFORE TAXATION

	Year ended 31 December 2003 £	Year ended 31 December 2002 £
Operating loss on ordinary activities before taxation is after charging:		
Depreciation	1,554	1,428
Auditors' remuneration	4,000	3,000
- audit	-	2,000
- other services	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003 £	2002 £
Current tax		
UK corporation tax charge at 30% (2002 - 30%)	-	-
	-	-
Deferred tax		
Reversal of timing differences	1,422	-
Adjustment in respect of prior years	(1,422)	-
	-	-
Factors affecting the current tax charge		
Profit on ordinary activities before tax	(1,494)	(34,279)
Tax at 30% thereon		
Effects of:		
Expenses not deductible for tax purposes	448	10,284
Capital allowances in excess of depreciation	(623)	(1,414)
Unprovided tax losses carried forward	182	(469)
	(7)	(8,401)
	-	-

5. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 January 2003	5,443	5,443
Additions	1,551	1,551
At 31 December 2003	6,994	6,994
Accumulated depreciation		
At 1 January 2003	2,722	2,722
Charge for the year	1,554	1,554
At 31 December 2003	4,276	4,276
Net book value		
At 31 December 2003	2,718	2,718
At 31 December 2002	2,721	2,721

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

6. DEBTORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Trade debtors	10,976	3,993
Other debtors	3,857	1,327
	<u>14,833</u>	<u>5,320</u>

7. CASH

	2003	2002
	£	£
Sterling Current Account	30,307	50,963
Euro Current Account	10,554	-
	<u>40,861</u>	<u>50,963</u>

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Trade creditors	357	29
VAT payable	-	3,424
Other	998	-
Accruals	6,375	13,941
	<u>7,730</u>	<u>17,394</u>

9. CREDITORS-AMOUNTS FALLING DUE AFTER ONE YEAR

	2003	2002
	£	£
Amounts owed to parent company	<u>24,042</u>	<u>13,475</u>

On 10 October 2002 £13,475 owed to the parent company was converted to an interest free subordinated loan repayable on 16 October 2007.

On 4 August 2003 the parent company lent Mattex Global Investments Ltd € 15,000 interest free repayable two years after the date on which written notice to repay is given.

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

10. CALLED UP SHARE CAPITAL

	2003 £	2002 £
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

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

	Issued share capital £	Profit and loss account £	Total £
At 31 December 2002	165,000	(136,865)	28,135
Loss retained for the year	-	(1,495)	(1,495)
At 31 December 2003	165,000	(138,360)	26,640

12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company is a wholly-owned subsidiary of Mattex Holding Limited, a company incorporated in the British Virgin Islands. The ultimate controlling party of Mattex Global Investments Limited is Matteo Tassarollo, 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 Holding Ltd which is the smallest and largest group in which the results of the Company are consolidated will be made available to the public and may be obtained from:

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