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AVEBURY ASSET MANAGEMENT LIMITED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31st MARCH 2008

Company Registration Number 890308

BREBNERS

Chartered Accountants & Registered Auditors
The Quadrangle
180 Wardour Street
London
W1F 8LB

AVEBURY ASSET MANAGEMENT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2008

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AVEBURY ASSET MANAGEMENT LIMITED

COMPANY INFORMATION

| | |
|-------------------------------|---|
| The board of directors | M J W Daley A R C Taylor |
| Company secretary | E J Daley |
| Registered office | The Quadrangle 180 Wardour Street London W1F 8FY |
| Auditor | Brebners Chartered Accountants & Registered Auditors The Quadrangle 180 Wardour Street London W1F 8LB |
| Bankers | Bank of Scotland 38 Threadneedle Street London EC2P 2EH |
| Solicitors | Speechly Bircham 6 St Andrew Street London EC4A 3LX |

AVEBURY ASSET MANAGEMENT LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31st MARCH 2008

The directors present their report and the financial statements of the company for the year ended 31st March 2008

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activity is the management of global fixed income and associated currency overlay programmes and the provision of investment advice for institutional clients and regulated investment management companies

During the year, as a result of the increasingly competitive market which favours larger investment managers and the company's refocus on alternative asset strategies, the company experienced a further reduction in the number of clients leaving it with no funds under management and a greatly reduced number of employees at the balance sheet date. The directors revised their marketing strategy to take advantage of the global demand for these alternative products and to seek to manage money for other regulated investment managers who want exposure to these markets

The company is authorised and regulated by the Financial Services Authority (FSA) in the United Kingdom and the Securities & Exchange Commission (SEC) in the United States

Financial Key Performance Indicators

The directors consider the Financial Key Performance Indicators to be the following

| | 2008 | 2007 |
|---|--------|--------------|
| Turnover | 70,858 | 424,490 |
| Increase/(Decrease) in turnover | (83)% | Nil% |
| Funds under management | \$Nil | \$14,389,224 |
| Increase/(Decrease) in funds under management | (100)% | (91)% |

Non-Financial Key Performance Indicators

Management believe that building investment management businesses is a long term activity and that in the initial years it is difficult to achieve profits given the dynamics of the market place for investment management services (which do not favour relatively new businesses). The key values imbedded in an investment management business are the staff and the investment management performance they create, the ability of the company's processes to continually produce competitive performance and the reputation the company achieves by being fully compliant with the rules and requirements of its regulators across varying jurisdictions

The company will be judged successful if in a compliant manner it can achieve better than average investment performance for its clients while experiencing a below average turnover in its professional staff

In a company this size the directors consider there are collectively other numerous non-financial performance indicators but none individually are key

AVEBURY ASSET MANAGEMENT LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st MARCH 2008

RESULTS AND DIVIDENDS

The loss for the year amounted to £12,084. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company had no hedging arrangements at 31st March 2008.

As the company is a regulated company, management gives continuous attention to the company's financial position especially in terms of its net regulatory capital position (NRCP). The NRCP is calculated by the company annually following the annual audit, using the current rules set down by the company's regulator. In achieving NRCP compliance, the company identifies and provides for financial risks it may encounter and, for example, it seeks to allocate capital in excess of NRCP to cover exposures, if any, to illiquid assets, prepayments, foreign exchange exposures and debtors in excess of one month.

As the company's income is primarily denominated in foreign currency, management's neutral policy is to hedge back into sterling expected future foreign exchange receivables. Such transactions are unlikely to involve sales with a tenor of more than six months. However, as foreign exchange management is a key competence of the company, management may in the light of the company's analysis of future foreign exchange movements leave receivables denominated in foreign currency un-hedged in anticipation of a fall in the external value of Sterling.

The company, in its formative years (which could extend to ten years) is likely to gain and retain a small number of clients and their investment needs are likely to be similar. The company may therefore be exposed to, for example, a market-driven switch in investment product by a significant number of clients simultaneously, or alternatively, may under-perform other managers leading over time to the loss of clients.

The company monitors all cash, debtors, creditors and foreign exchange rate fluctuations on an ongoing basis to ensure that it has sufficient cash flows and funds for its working capital requirements.

DIRECTORS

The directors who served the company during the year were as follows:

| | |
|--------------|---------------------------|
| M J W Daley | |
| A R C Taylor | (Appointed 18th May 2007) |
| B J Mason | (Resigned 18th May 2007) |

AVEBURY ASSET MANAGEMENT LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st MARCH 2008

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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,

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

In so far as the directors are aware

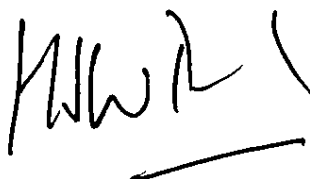
there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

In the absence of an Annual General Meeting, Brebners are deemed to be reappointed as auditors in accordance with section 487 of the Companies Act 2006.

Signed on behalf of the directors



M J W Daley
Director

Approved by the directors on 27 JUNE 2008

AVEBURY ASSET MANAGEMENT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
AVEBURY ASSET MANAGEMENT LIMITED
YEAR ENDED 31st MARCH 2008

We have audited the financial statements of Avebury Asset Management Limited for the year ended 31st March 2008, which have been prepared on the basis of the accounting policies set out on pages 9 to 10

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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.

AVEBURY ASSET MANAGEMENT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
AVEBURY ASSET MANAGEMENT LIMITED *(continued)*

YEAR ENDED 31st MARCH 2008

OPINION

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2008 and of its loss for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. These indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



BREBNERS
Chartered Accountants
& Registered Auditors

The Quadrangle
180 Wardour Street
London
W1F 8LB

14/7/08

AVEBURY ASSET MANAGEMENT LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31st MARCH 2008

| | Note | 2008 £ | 2007 £ |
|---|----------|-----------------|----------------|
| TURNOVER | 2 | 70,858 | 424,490 |
| Administrative expenses | | 86,676 | 418,438 |
| OPERATING (LOSS)/PROFIT | 3 | (15,818) | 6,052 |
| Interest receivable | 6 | 3,734 | 3,657 |
| | | .. | ... |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | (12,084) | 9,709 |
| Tax on (loss)/profit on ordinary activities | 7 | — | — |
| | | .. | |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR | | (12,084) | 9,709 |

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

AVEBURY ASSET MANAGEMENT LIMITED

BALANCE SHEET

31st MARCH 2008

| | Note | 2008 £ | £ | 2007 £ | £ |
|---|------|-----------|----------|-----------|----------|
| FIXED ASSETS | | | | | |
| Tangible assets | 8 | | 1,817 | | 3,115 |
| CURRENT ASSETS | | | | | |
| Debtors | 9 | 64,169 | | 91,252 | |
| Cash at bank | | 72,233 | | 87,031 | |
| | | 136,402 | | 178,283 | |
| CREDITORS: Amounts falling due within one year | 10 | 13,563 | | 44,658 | |
| NET CURRENT ASSETS | | | 122,839 | | 133,625 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 124,656 | | 136,740 |
| CAPITAL AND RESERVES | | | | | |
| Called-up equity share capital | 12 | | 195,140 | | 195,140 |
| Share premium account | 13 | | 1,678 | | 1,678 |
| Profit and loss account | 14 | | (72,162) | | (60,078) |
| SHAREHOLDERS' FUNDS | 15 | | 124,656 | | 136,740 |

These financial statements were approved by the directors and authorised for issue on 27 June 2008 and are signed on their behalf by

M J W Daley
Director



AVEBURY ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2008

1 ACCOUNTING POLICIES

Basis of accounting

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

Going concern

The profit and loss account for the year shows a loss of £12,084 and the balance sheet shows shareholders funds of £124,656. However the balance sheet includes an amount of £58,123 due from the immediate parent and the ultimate parent which can not be recovered in the short term

During the year, as a result of the increasingly competitive market which favours larger investment managers and the company's refocus on alternative asset strategies, the company experienced a further reduction in the number of clients leaving it with no funds under management and a greatly reduced number of employees at the balance sheet date. The directors revised their marketing strategy to take advantage of the global demand for these alternative products and to seek to manage money for other regulated investment managers who want exposure to these markets

The company is regulated by the FSA and has complied and continues to comply with the FSA's funding requirements

The company is dependent upon the continuing support of Avebury Asset Management Group Limited (the immediate parent) and Strategic Value Management Limited (the ultimate parent) and M J W Daley (director) who have confirmed their continued support

Based on the above the directors believe that it is appropriate to prepare the accounts on the going concern basis

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

Turnover represents management performance fees received and receivable on portfolios managed during the year. All amounts are stated net of attributable value added tax

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows

Fixtures & Fittings - 33 3% straight line

Pension costs

Pension costs charged against profits represent the amount of the contributions payable to employee pension schemes in respect of the accounting period

AVEBURY ASSET MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2008

1. ACCOUNTING POLICIES (continued)**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction or an agreed forward contract rate. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

| | 2008 | 2007 |
|----------------|--------|---------|
| | £ | £ |
| United Kingdom | 70,858 | 163,129 |
| USA | | 261,361 |
| | 70,858 | 424,490 |
| | | |

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

| | 2008 | 2007 |
|--|--------|--------|
| | £ | £ |
| Depreciation of owned fixed assets | 1,425 | 1,946 |
| Auditor's remuneration | | |
| - as auditor | 4,500 | 4,500 |
| - for other services | 17,826 | 15,975 |
| Net loss on foreign currency translation | 2,076 | 2,358 |
| | ... | ... |

AVEBURY ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2008

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

| | 2008 | 2007 |
|----------------------------|-------------|-------------|
| | No | No |
| Number of management staff | 3 | 5 |
| | | |

The aggregate payroll costs of the above were

| | 2008 | 2007 |
|-----------------------|-------------|-------------|
| | £ | £ |
| Wages and salaries | 11,767 | 182,199 |
| Social security costs | 1,128 | 20,614 |
| Other pension costs | 636 | 9,236 |
| | | |
| | 13,531 | 212,049 |
| | | |

5 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

| | 2008 | 2007 |
|--|-------------|-------------|
| | £ | £ |
| Emoluments receivable | - | 79,679 |
| Value of company pension contributions to money purchase schemes | 192 | 4,292 |
| | | |
| | 192 | 83,971 |
| | | |

The number of directors who accrued benefits under company pension schemes was as follows

| | 2008 | 2007 |
|------------------------|-------------|-------------|
| | No | No |
| Money purchase schemes | 1 | 2 |
| | | |

6 INTEREST RECEIVABLE

| | 2008 | 2007 |
|--------------------------|-------------|-------------|
| | £ | £ |
| Bank interest receivable | 3,734 | 3,657 |
| | | |

AVEBURY ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2008

7 TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2007 - 19%)

| | 2008 | 2007 |
|--|-----------------|----------------|
| | £ | £ |
| (Loss)/profit on ordinary activities before taxation | (12,084) | 9,709 |
| (Loss)/profit on ordinary activities by rate of tax | (2,417) | 1,845 |
| Expenses not deductible for tax purposes | 64 | 534 |
| Depreciation in excess of capital allowances | 132 | 156 |
| Unutilised current year losses | 2,189 | - |
| Brought forward tax losses utilised | - | (1,840) |
| Group relief | 32 | (695) |
| | | |
| Total current tax | | |

Factors that may affect future tax charges

The company has available tax losses of £53,007 (2007 £42,061) to carry forward against future trading profits

No deferred tax has been provided on the above tax losses due to the uncertainty of the timing of the recovery of these losses

8 TANGIBLE FIXED ASSETS

| | Fixtures & Fittings |
|---------------------------|--------------------------------|
| | £ |
| COST | |
| At 1st April 2007 | 21,107 |
| Additions | 127 |
| | |
| At 31st March 2008 | 21,234 |
| | |
| DEPRECIATION | |
| At 1st April 2007 | 17,992 |
| Charge for the year | 1,425 |
| | |
| At 31st March 2008 | 19,417 |
| | |
| NET BOOK VALUE | |
| At 31st March 2008 | 1,817 |
| | |
| At 31st March 2007 | 3,115 |
| | |

AVEBURY ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2008

9. DEBTORS

| | 2008 | 2007 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Amounts owed by group undertakings | 58,123 | 52,294 |
| Other debtors | 4,545 | 11,627 |
| Prepayments and accrued income | 1,501 | 27,331 |
| | | |
| | 64,169 | 91,252 |
| | | |

The debtors above include the following amounts falling due after more than one year

| | 2008 | 2007 |
|------------------------------------|--------|--------|
| | £ | £ |
| Amounts owed by group undertakings | 58,123 | 52,294 |
| | | |

10. CREDITORS. Amounts falling due within one year

| | 2008 | 2007 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 6,385 | 22,552 |
| Amounts owed to parent undertaking | - | 98 |
| Other taxation and social security | - | 6,149 |
| Other creditors | 1,912 | 2,124 |
| Directors' current accounts | 84 | 209 |
| Accruals and deferred income | 5,182 | 13,526 |
| | | |
| | 13,563 | 44,658 |
| | | |

11 RELATED PARTY TRANSACTIONS

Included within debtors is an amount of £50,392 (2007 £52,294) due from Avebury Asset Management Group Limited, the immediate parent undertaking

Included within debtors is an amount of £7,731 (2007 Creditor of £98) due from Strategic Value Management Limited, the ultimate parent undertaking

Included within creditors is an amount of £84 (2007 £209) due to M J W Daley, director

During the year the company received services from Avebury Asset Management Group Limited amounting to £6,000 (2007 £20,000)

Control

Control of the company vests with the immediate parent undertaking as disclosed in note 16 and ultimate control vests with M J W Daley, director

AVEBURY ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2008

12. SHARE CAPITAL

Authorised share capital.

| | 2008 £ | 2007 £ |
|--------------------------------------|--------------------|--------------------|
| 1,000,000 Ordinary shares of £1 each | 1,000,000 | 1,000,000 |

Allotted, called up and fully paid

| | 2008 No | £ | 2007 No | £ |
|----------------------------|------------------|------------------|------------------|------------------|
| Ordinary shares of £1 each | 195,140 | 195,140 | 195,140 | 195,140 |

13. SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year

14. PROFIT AND LOSS ACCOUNT

| | 2008 £ | 2007 £ |
|--------------------------------------|-------------------|-------------------|
| Balance brought forward | (60,078) | (69,787) |
| (Loss)/profit for the financial year | (12,084) | 9,709 |
| Balance carried forward | (72,162) | (60,078) |

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2008 £ | 2007 £ |
|--------------------------------------|------------------|------------------|
| (Loss)/Profit for the financial year | (12,084) | 9,709 |
| Opening shareholders' funds | 136,740 | 127,031 |
| Closing shareholders' funds | 124,656 | 136,740 |

16. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Avebury Asset Management Group Limited, a company registered in England and Wales. The directors consider the company's ultimate parent undertaking to be Strategic Value Management Limited, a company registered in England and Wales.

The results of Avebury Asset Management Limited have been included within the Strategic Value Management Limited consolidated financial statements and are available from Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ.