

Company Number: 890308

**Avebury Asset Management Limited
(formerly Hambros Unit Trust Managers Limited)**

Financial Statements

for the year ended 31st March 2001



Avebury Asset Management Limited
(formerly Hambros Unit Trust Managers Limited)

Company Information

Company No: 890308

Chairman

Mr H E Flight

Registered Office

The Quadrangle
180 Wardour Street
London
W1F 8FY

Directors

Mr M J W Daley
Mr H E Flight

Secretary

Mr M J W Daley

Auditors

Brebner Allen & Trapp
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
(formerly Hambros Unit Trust Managers Limited)

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**Avebury Asset Management Limited
(formerly Hambros Unit Trust Managers Limited)**

Directors' Report

for the year ended 31st March 2001

The directors submit their report together with the audited financial statements for the year ended 31st March 2001.

Directors' Statement

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 loss for that year. 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;

State whether applicable 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 which disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure 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.

Results and Dividends

The profit on the ordinary activities of the company before taxation amounted to £14,898. During the year an interim dividend of £28,728 was paid and the directors recommend a final dividend of £13,000. The resulting balance of £28,006 has been transferred from reserves.

Principal Activity and Business Review

During the course of the year the company changed its name from Hambros Unit Trust Managers Limited and following its acquisition by new management in October 2000, changed its focus from retail investment products to institutional investment management services. The company's principal activity is currently the management of global fixed income and associated currency overlay programmes for US-based ERISA pension plans. The Directors are satisfied with the results for the year (which includes a six-month period of inactivity). The Company has commenced a marketing plan designed to significantly increase its assets under discretionary management in the United States and elsewhere.

Avebury Asset Management Limited is regulated by The Financial Services Authority (FSA) in the United Kingdom and the Securities & Exchange Commission in the United States.

**Avebury Asset Management Limited
(formerly Hambros Unit Trust Managers Limited)**

Directors' Report

for the year ended 31st March 2001

Directors

The directors, who served during the year and their beneficial interests in the shares of the company, were as follows:

Mr M J W Daley (appointed 28 April 2000)

Mr H E Flight (appointed 28 April 2000)

The interest of Mr M J W Daley in the shares of the ultimate parent company are disclosed in the directors' report of that company.

Mr H E Flight had no interest in the shares of the ultimate parent company.

On 28 April 2000 J R Chillingworth, M S Langdon and P G S Saunders resigned as directors.

Auditors

In accordance with Section 386 of the Companies Act 1985, the company elected to dispense with the obligation to appoint auditors annually.

Brebner Allen & Trapp, Chartered Accountants are therefore deemed to be reappointed as the company's auditors for each succeeding year.

On behalf of the Board:

Mr M J W Daley, Director

31st July 2001

A handwritten signature in black ink, appearing to be 'MJD', with a horizontal line underneath it.

**Avebury Asset Management Limited
(formerly Hambros Unit Trust Managers Limited)**

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 31st March 2001

We have audited the financial statements on pages 4 to 9, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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. 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 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 31st March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Brebn Allen & Trapp

**Brebn Allen & Trapp
Chartered Accountants
and Registered Auditors**

**The Quadrangle
180 Wardour Street
London
W1F 8LB**

31st July 2001

Avebury Asset Management Limited
(formerly Hambros Unit Trust Managers Limited)

Profit and Loss Account

for the year ended 31st March 2001

	Notes	2001 £	2000 £
Turnover		203,721	41,000
Administrative expenses		(191,840)	(59,000)
Operating profit/(loss)	2	11,881	(18,000)
Interest receivable		3,017	18,000
Profit on ordinary activities before Taxation		14,898	-
Tax on profit on ordinary activities	4	(1,176)	-
Profit on ordinary activities after Taxation		13,722	-
Dividends	5	(41,728)	-
Retained for the year	10	(28,006)	-
Retained profit brought forward		28,728	28,728
Retained profit carried forward		722	28,728

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

Avebury Asset Management Limited
(formerly Hambros Unit Trust Managers Limited)

Balance Sheet

as at 31st March 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Fixed Assets					
Tangible fixed assets	6		10,408		-
Current Assets					
Debtors	7	88,369		6,350	
Cash at bank		124,076		165,226	
		212,445		171,576	
Creditors:					
Amounts falling due within one year	8	(117,131)		(42,848)	
Net Current Assets			95,314		128,728
Total Assets Less Current Liabilities			105,722		128,728
Capital and Reserves					
Share capital	9		105,000		100,000
Profit and loss account	10		722		28,728
Equity Shareholders' Funds	11		105,722		128,728

These accounts were approved by the board on 31st July 2001.

Mr M J W Daley

Director



Avebury Asset Management Limited
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Notes to the Financial Statements

for the year ended 31st March 2001

1 Principal Accounting Policies

Accounting Convention

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Fixtures and fittings	33 1/3% straight line
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Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All other exchange differences are dealt with through the profit and loss account.

2 Operating Profit/(Loss)

The operating profit/(loss) is stated after charging or crediting:

	2001	2000
	£	£
Amounts payable to the auditors in respect of audit services	3,000	3,000
Amounts payable to the auditors in respect of non-audit services	8,850	-
Exceptional item -recruitment fee	18,750	-
Depreciation - owned assets	1,862	-
Loss on foreign exchange	535	-
	535	-

3 Directors and Employees

Staff costs during the year were as follows:

	2001	2000
	£	£
Wages and salaries	6,429	-
	6,429	-

The average monthly number of employees, including directors, during the year was as follows:

	2001	2000
	Number	Number
Management	3	3
	3	3

The directors did not receive any remuneration during the year.

Avebury Asset Management Limited
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Notes to the Financial Statements

for the year ended 31st March 2001

4	Tax on Profit on Ordinary Activities	2001	2000
		£	£
	<i>Based on the profit for the year:</i>		
	U.K. Corporation tax at 20% (2000: 30%)	1,176	-
		<u>1,176</u>	<u>-</u>
5	Dividends	2001	2000
		£	£
	Equity		
	Ordinary shares - interim paid of 28.728 pence per share (2000 £nil)	28,728	-
	Ordinary shares - final proposed of 12.381 pence per share (2000 £nil)	13,000	-
		<u>41,728</u>	<u>-</u>
6	Tangible Fixed Assets		
			Fixtures and fittings
	Cost		£
	At 1st April 2000		-
	Additions		12,270
	At 31st March 2001		<u>12,270</u>
	Depreciation		
	Charged for the year		1,862
	At 31st March 2001		<u>1,862</u>
	Net Book Value		
	At 31st March 2001		<u>10,408</u>
7	Debtors	2001	2000
		£	£
	Trade debtors	12,643	4,350
	VAT recoverable	13,927	-
	Other debtors	4,500	-
	Prepayments and accrued income	57,299	2,000
		<u>88,369</u>	<u>6,350</u>

Avebury Asset Management Limited
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Notes to the Financial Statements

for the year ended 31st March 2001

8	Creditors: Amounts falling due within one year	2001	2000
		£	£
	Amounts owed to undertakings in which the company has a participating interest	965	28,813
	Corporation tax	1,175	31
	Proposed dividends	13,000	-
	Other creditors	83	4
	Accruals and deferred income	101,908	14,000
		<u>117,131</u>	<u>42,848</u>

9	Share Capital		
	Authorised	2001	2000
		£	£
	1,000,000 Ordinary shares of £1 each (2000: 1,000,000)	1,000,000	1,000,000
		<u>1,000,000</u>	<u>1,000,000</u>

	Allotted and fully paid	2001	2000
		£	£
	105,000 Ordinary shares of £1 each (2000: 100,000)	105,000	100,000
		<u>105,000</u>	<u>100,000</u>

Movements during the year

	Ordinary shares of £1 each
At 1st April 2000	100,000
Issues during the year	5,000
At 31st March 2001	<u>105,000</u>

On 30 March 2000 the company issued £5000 shares at par in order to provide additional financial resources.

Avebury Asset Management Limited
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Notes to the Financial Statements

for the year ended 31st March 2001

10 Reserves

	Profit and Loss Account £
At 1st April 2000	28,728
Deficit for the year	(28,006)
At 31st March 2001	<u>722</u>

11 Reconciliation of the Movement in Shareholders' Funds

	2001 £	2000 £
Profit for the financial year	13,722	-
Dividends	(41,728)	-
	<u>(28,006)</u>	<u>-</u>
New share capital subscribed	5,000	-
	<u>(23,006)</u>	<u>-</u>
(Decrease) in shareholders' funds	(23,006)	-
Opening shareholders' funds	128,728	128,728
Closing shareholders' funds	<u>105,722</u>	<u>128,728</u>

12 Ultimate Parent Undertaking

The company's ultimate parent company is Strategic Value Management Limited, a company registered in England and Wales.

The company's previous ultimate parent company was Investec Holdings Limited a company incorporated in South Africa.

13 Related Party Transactions

Since 6 October 2000 the company has been controlled by Mr M J W Daley.