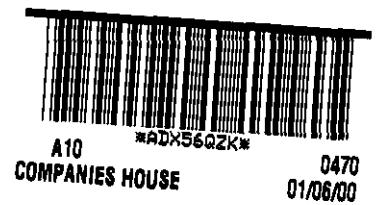


3548695

CSTIM Limited

Report and Accounts
December 31, 1999

**Rees Pollock
Chartered Accountants**



CSTIM LIMITEDDirectors

K R Alcock
J S Dallas
D S Hay
A J S Summers
T Harvey

Secretary

R Lindsay

Auditors

Rees Pollock
7 Pilgrim Street
London
EC4V 6DR

Bankers

Barclays Bank plc
99 Hatton Gardens
London
EC1N 8DN

Solicitors

Lindeman Lindsay
513 Africa House
64/78 Kingsway
Holborn
London
WC2B 6BG

Registered Office

Lindeman Lindsay
513 Africa House
64/78 Kingsway
London
WC2B 6BG

Company Number

3548695

CSTIM LIMITEDDIRECTORS' REPORT

The directors present their report and accounts for the year ended December 31, 1999.

Results and dividends

The profit for the year, after taxation, amounted to £475,379. A total of £75,000 ordinary dividends was paid during the year.

Review of the business

The company's principal activity during the year was that of providing advisory services to companies engaged in investment management.

Directors and their interests

The directors who served during the year and their interests in the share capital of the company were as follows:

	At December 31, 1999 Ordinary shares	At December 31, 1998 Ordinary shares
K R Alcock	3,875	4,150
J S Dallas	3,875	4,150
D S Hay	-	-
AJS Summers	-	-
T Harvey (appointed October 19, 1999)	-	-

Political and Charitable contributions

During the year the company made a charitable contribution of £10,000 to the United Response Charity.

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which 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 year. In preparing those accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

CSTIM LIMITEDDIRECTORS' REPORT

(continued)

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 that the accounts 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.

The directors confirm that these accounts comply with these requirements.

Year 2000

The company has not experienced any material problems with its computer systems as a result of the year 2000 conversion and no significant costs were incurred. The directors are continuing to monitor developments.

Auditors

A resolution to reappoint Rees Pollock will be put to the members at the Annual General Meeting.

ON BEHALF OF THE BOARD



K R Alcock
Director

March 21, 2000



REES POLLOCK

Chartered Accountants

7 Pilgrim Street
London EC4V 6DR
Telephone 020 7329 6404
Fax 020 7329 6408

REPORT OF THE AUDITORS TO THE MEMBERS OF CSTIM LIMITED

We have audited the accounts on pages 5 to 12 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on pages 2 and 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at December 31, 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Rees Pollock
Chartered Accountants
Registered Auditor

March 21, 2000

CSTIM LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 1999

	Notes	1999 £	1998 £
Turnover	2	3,410,491	1,076,036
Cost of sales		(2,294,922)	(744,380)
Gross profit		1,115,569	331,656
Administrative expenses		(456,496)	(148,217)
Operating profit		659,073	183,439
Bank interest receivable		14,789	4,654
Bank interest payable		(5,124)	(5,413)
Profit on ordinary activities before taxation		668,738	182,680
Taxation charge on profit on ordinary activities	5	(193,359)	(39,222)
Profit after taxation		475,379	143,458
Dividends paid and proposed		(75,000)	-
Retained profit for the financial year	11	400,379	143,458
Retained profit brought forward		143,458	-
Retained profit carried forward		£543,837	£143,458

There were no recognised gains or losses other than the profit for the period.

All amounts relate to continuing activities.

There is no difference between the amounts as reported above and the amounts on an unmodified historical basis.

The notes on pages 8 to 12 form part of these accounts

CSTIM LIMITEDBALANCE SHEET AT DECEMBER 31, 1999

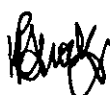
	Notes	£	1999 £	1998 £
Fixed assets				
Tangible	6		105,476	39,581
Current assets				
Debtors	7	686,406		318,110
Cash at bank and in hand	13b	762,722		160,975
		-----		-----
		1,449,128		479,085
Creditors: amounts falling due within one year	8	(1,000,767)		(242,593)
		-----		-----
Net current assets			448,361	236,492
			-----	-----
Total assets less current liabilities			553,837	275,073
Creditors: amounts falling due after more than one year	9		-	(122,615)
			-----	-----
			£553,837	£153,458
			=====	=====
Capital and reserves:				
Called up share capital	10		10,000	10,000
Profit and loss account			543,837	143,458
			-----	-----
Shareholders' equity funds	11		£553,837	£153,458
			=====	=====

Approved by the Board on March 21, 2000



J S Dallas

Directors



K R Alcock

The notes on pages 8 to 12 form part of these accounts

CSTIM LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 1999

	Notes	1999 £	1998 £
Net cash inflow from operating activities	13a	978,891	40,303
Returns on investment and servicing of finance			
Interest received		14,789	4,654
Interest paid		(3,732)	(5,413)
Dividend paid		(75,000)	-
		-----	-----
Net cash outflow from returns on investment and servicing of finance		(63,943)	(759)
Taxation		(37,054)	(47,548)
Capital expenditure		(117,168)	-
		-----	-----
		760,726	(8,004)
Net cashflow before financing:			
Financing			
Share capital subscribed		-	10,000
Bank loans		-	100,000
Bank loan repayments		(87,879)	(12,121)
Shareholders loans		(71,100)	71,100
		-----	-----
Net cash inflow from financing		(158,979)	68,979
		-----	-----
Increase in cash	13b	£601,747	£160,975
		=====	=====

The notes on pages 8 to 12 form part of these accounts

CSTIM LIMITEDNOTES TO THE ACCOUNTS AT DECEMBER 31, 19991. Accounting policiesAccounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Investments

Investments held as fixed assets are valued at original cost unless, in the opinion of the directors there has been a permanent diminution in value, in which case an appropriate adjustment is made.

Listed investments held as current assets are periodically revalued to current market value and the difference between cost and market value is taken to the profit and loss account.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that taxation will be payable.

Foreign currencies

Transactions in foreign currencies during the year are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Pensions

The company makes contributions to an independently administered pension scheme. Contributions are charged to the profit and loss account when they become payable. In addition the company makes contributions to certain employees' personal pension arrangements which are charged to the profit and loss account as they become due.

Depreciation

Depreciated is provided on all tangible fixed assets so as to write off the cost of each asset evenly over its useful life as follows:

Office equipment	-	over 3 years
Fixtures and fittings	-	over 3 years
Computers	-	over 2 years

2. Turnover

Turnover represents the amounts derived from the provision of services which fall within the company's ordinary activities, all of which are continuing, stated net of value added tax.

CSTIM LIMITEDNOTES TO THE ACCOUNTS AT DECEMBER 31, 1999

(continued)

3. Operating profit

	1999 £	1998 £
(a) This is stated after charging:		
Auditors' remuneration	11,475	3,500
Depreciation of fixed assets	51,273	7,967
Operating lease rentals - land and buildings	30,000	21,667
- plant and machinery	-	1,694
	=====	=====
		1998 £
(b) Directors' remuneration		
Aggregate emoluments	397,316	183,078
Contribution to money purchase pension schemes for directors	20,682	10,491
	=====	=====

Two directors receive pension contributions.

The amounts in respect of the highest paid director are as follows:

	1999 £	1998 £
Emoluments	198,153	95,220
Company contribution paid to money purchase pension schemes	10,340	5,364
	=====	=====

4. Staff costs

	1999 £	1998 £
Wages and salaries	1,506,094	501,768
Social security costs	169,980	50,117
Defined contribution pension costs	75,028	28,256
	-----	-----
	£1,751,102	£580,141
	=====	=====

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

	1999 No.	1998 No.
Professionals	19	8
Administration	6	1
	-----	-----
	25	9
	=====	=====

CSTIM LIMITEDNOTES TO THE ACCOUNTS AT DECEMBER 31, 1999
(continued)5. Taxation charge on profit on ordinary activities

	1999	1998
		£
Based on the profit for the year	195,527	£39,222
Overprovision in 1998	(2,168)	-
	<u>£193,359</u>	<u>£39,222</u>

6. Tangible fixed assets

	Fixtures and fittings £	Computers and office equipment £	Total £
Cost:			
At January 1, 1999	810	46,738	47,548
Additions during the year	52,326	65,615	117,941
Disposals during the year	(483)	(290)	(773)
	<u>52,653</u>	<u>112,063</u>	<u>164,716</u>
At December 31, 1999			
Depreciation:			
At January 1, 1999	40	7,927	7,967
Charge for the period	10,315	40,958	51,273
	<u>10,355</u>	<u>48,885</u>	<u>59,240</u>
At December 31, 1999			
Net book value			
At December 31, 1999	<u>£42,298</u>	<u>£63,178</u>	<u>£105,476</u>
At December 31, 1998	<u>£770</u>	<u>£38,811</u>	<u>£39,581</u>

7. Debtors

	1999	1998
	£	£
Trade debtors	631,219	262,763
Other debtors	27,500	1,080
Prepayments and accrued income	27,687	54,267
	<u>£686,406</u>	<u>£318,110</u>

CSTIM LIMITEDNOTES TO THE ACCOUNTS AT DECEMBER 31, 1999
(continued)8. Creditors: amounts falling due within one year

	1999	1998
	£	£
Bank loans (see note 9)	-	36,364
Trade creditors	59,434	32,229
Corporation tax	195,527	39,222
Other taxes and social security costs	242,743	68,619
Other creditors	7,477	14,713
Accruals and deferred income	495,586	51,446
	-----	-----
	<u>£1,000,767</u>	<u>£242,593</u>

9. Creditors : amounts falling due after more than one year

	1999	1998
	£	£
Shareholders loans	-	71,100
Bank loan	-	51,515
	-----	-----
	<u>£-</u>	<u>£122,615</u>

The bank loan was secured on all the assets of the company and has been repaid by the Company during the year. Interest was charged at 3.5% over base rate.

10. Share capital

	Authorised		Allotted, called up and fully paid	
	1999	1998	1999	1998
	No.	No.	£	£
Ordinary shares of £1 each	20,000	20,000	£10,000	£10,000
	=====	=====	=====	=====

CSTIM LIMITEDNOTES TO THE ACCOUNTS AT DECEMBER 31, 1999

(continued)

11. Reconciliation of movements in shareholders' funds

	1999	1998
	£	£
Opening shareholders' equity funds	153,458	-
Retained profit for the year	400,379	143,458
Ordinary share capital subscribed	-	10,000
	-----	-----
Closing shareholders' equity funds	<u>£553,837</u>	<u>£153,458</u>

12. Other financial commitments

At December 31, 1999 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and Buildings		Other	
	1999	1998	1999	1998
	£	£	£	£
Operating leases which expire:				
within two to five years	-	-	-	2,258
in over five years	55,000	-	-	-
	=====	=====	=====	=====

13. Notes to the statement of cashflowsa. Reconciliation of operating profit to net cash inflow from operating activities

	1999	1998
	£	£
Operating profit	657,681	183,439
Depreciation charges	51,273	7,967
Increase in debtors	(368,296)	(318,110)
Increase in creditors	638,233	167,007
	-----	-----
Net cash inflow from operating activities	<u>£978,891</u>	<u>£40,303</u>

b. Reconciliation of net cash flow to movement in net funds and analysis of net funds

	At January 1, 1999	Cash flows	Other changes	At December 31, 1999
	£	£	£	£
Cash at bank and in hand	£160,975	£-	£601,747	£762,722
	=====	=====	=====	=====