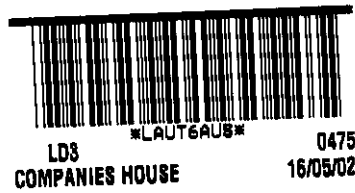


Citco London Limited

Annual Report and Accounts for the year
ended 31 December 2001

Registered number: 3818926



Directors' report

For the year ended 31 December 2001

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 December 2001.

Principal activity and business review

The principal activities of the company comprise the provision of company secretarial services. The company is also the representative office in the United Kingdom for the Citco Group.

On 25 July 2001 the authorised share capital was increased to 451,000 ordinary shares of £1 each. 450,000 ordinary shares of £1 each were issued during the year.

Results and dividends

The company generated a loss of £817,085 for the year ended 31 December 2001 (2000: £365,309). The directors do not propose to pay a dividend.

Fixed assets

Information relating to changes in tangible fixed assets is given in note 5 to the accounts.

Directors and their interests

The directors who served during the year were as follows:

J.W. Beers

N. Braham

A.J. Stocks (resigned 8 June 2001)

None of the directors had an interest, which requires disclosure, in the shares of the company or any other group company during either year.

Auditors

In accordance with section 379A of the Companies Act 1985, the company has elected to dispense with the requirements to re-appoint auditors annually.

7 Albemarle Street
London
W1X 3HF

By order of the Board,



N. Braham

Director

7 May 2002

Statement of directors' responsibilities

Statement of 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 period. 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.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

Independent auditors' report to the shareholder of Citco London Limited:

We have audited the financial statements of Citco London Limited for the year ended 31 December 2001 which comprise the Profit and loss account, Balance sheet, and the related notes numbered 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom 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 to you if, in our opinion, the Directors' 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 the information specified by law regarding the directors' remuneration and transactions with the company 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 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

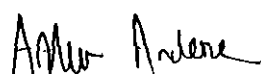
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Going concern

In forming our opinion, we have considered the disclosures in note 1(b) relating to the ability of the company to operate as a going concern. The company incurred a net loss of approximately £817,085 (2000: £365,309) for the financial year ended 31 December 2001 and has net liabilities amounting to £732,294 at year-end. The accompanying financial statements have been prepared on the assumption that the company will continue as a going concern. Citco (Luxembourg) S.A., the company's parent, has committed to providing the company with cash resources to cover its expenses and obligations for the forthcoming year so as to avoid the possibility of its being unable to continue as a going concern. The financial statements do not include any adjustments that might be necessary should the assumption of the company to continue as a going concern be invalid. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the company's state of affairs at 31 December 2001 and of the company's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

180 Strand
LONDON
WC2R 1BL

7 May 2002

Profit and loss account

For the period ended 31 December 2001

	Notes	2001 £	17 months ended 31 December 2000 £
Commission income		91,464	1,260
Operating expenses		(908,236)	(366,708)
Operating loss	2	(816,772)	(365,448)
Interest receivable and similar income		-	139
Interest payable and similar expenses		(313)	-
Loss on ordinary activities before taxation		(817,085)	(365,309)
Taxation on ordinary activities	3	-	-
Retained loss for the year	10/11	(817,085)	(365,309)

All operations of the company continued throughout the period.

There are no recognised gains or losses other than those included in the profit and loss account.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet

31 December 2001

	Notes	2001 £	2000 £
Fixed assets			
Tangible assets	5	363,592	432,982
Investments	6	88,427	-
		<u>452,019</u>	<u>432,982</u>
Current assets			
Debtors	7	427,040	341,830
Cash at bank and in hand		78,224	126,093
Total current assets		<u>505,264</u>	<u>467,923</u>
Creditors: Amounts falling due within one year	8	<u>(1,689,577)</u>	<u>(1,266,114)</u>
Net current liabilities		<u>(1,184,313)</u>	<u>(798,191)</u>
Net liabilities		<u>(732,294)</u>	<u>(365,209)</u>
Capital and reserves			
Called-up share capital	9	450,100	100
Profit and loss account	10	<u>(1,182,394)</u>	<u>(365,309)</u>
Shareholder's deficit	11	<u>(732,294)</u>	<u>(365,209)</u>

The accounts set out on pages 5 to 12 were approved by the Board of Directors on 7 May 2002 and have been signed on its behalf by:



N. Braham
Director

7 May 2002

The accompanying notes are an integral part of this balance sheet.

Notes to the accounts

31 December 2001

1 Statement of principal accounting policies

A summary of the company's principal accounting policies, all of which have been applied consistently throughout the year and the preceding period is set out below.

a) Basis of accounting

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

b) Going concern

The company incurred a net loss of £817,085 (2000: £365,309) for the financial year ended 31 December 2001 and has net liabilities amounting to £732,294 at year-end. The accompanying financial statements have been prepared on the assumption that the company will continue as a going concern. Citco (Luxembourg) S.A., the company's parent, has committed to providing the company with cash resources to cover its expenses and obligations for the forthcoming year so as to avoid the possibility of its being unable to continue as a going concern. The financial statements do not include any adjustments that might be necessary should the assumption of the company to continue as a going concern be invalid.

c) Cash flow statement

Under the provisions of Financial Reporting Standard 1 (Revised), the company has taken advantage of the exemption not to prepare a cash flow statement because its immediate parent undertaking, Citco Luxembourg S.A., incorporated in Luxembourg, produces a consolidated cash flow statement which is publicly available.

d) Tangible fixed assets

Tangible fixed assets are shown at cost net of depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computers	33 $\frac{1}{3}$ % per annum straight line
Fixtures and fittings	25% per annum straight line
Office equipment	25% per annum straight line
Leasehold improvements	Amortised on a straight line basis over the length of the lease

e) Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment. Provisions for temporary fluctuations in value are not made.

f) Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation (which arises from differences in the timing of the recognition of items in the accounts and by the tax authorities) is provided using the liability method. Deferred tax is provided on all timing differences, which will probably reverse, at rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

Notes to the accounts (continued)

1 Statement of principal accounting policies (continued)

g) *Foreign currency*

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

h) *Commission income*

Commission income represent the amounts invoiced to clients in relation to the provision of company secretarial services, excluding VAT.

i) *Operating leases*

Rentals under operating leases are charged on a straight-line basis over the lease term, even if payments are not made on such a basis.

j) *Related party disclosures*

As a wholly-owned subsidiary of Citco (Luxembourg) S.A., the company has taken advantage of the exemption contained in Financial Reporting Standard No. 8 and therefore has not disclosed transactions or balances with entities which form part of the group.

2 Operating loss

Operating loss is stated after charging:

	2001 £	2000 £
Depreciation of tangible fixed assets	82,674	47,783
Auditors' remuneration		
- audit fees	20,000	20,000
- non audit fees	13,250	-

3 Taxation on ordinary activities

There is no tax charge for the year.

Notes to the accounts (continued)

4 Staff costs

The average weekly number of persons employed by the company during the period was 4 (2000: 4). Their aggregate remuneration comprised:

	2001 £	2000 £
Wages and salaries	183,096	101,181
Social security costs	20,398	12,960
	<u>203,494</u>	<u>114,141</u>

The remuneration of the directors was as follows:

	2001 £	2000 £
Emoluments	<u>11,581</u>	<u>-</u>

Only one of the directors received remuneration from the company during the year and the above amounts for directors' remuneration include the amounts required to be disclosed in respect of the highest paid director.

5 Tangible fixed assets

The following are included in the net book value of tangible fixed assets:

	Computers £	Leasehold improvements £	Fixtures and fittings £	Office Equipment £	Total £
Cost					
As at 1 January	54,385	323,962	105,972	12,644	496,963
Additions	8,768	1,150	-	3,366	13,284
At 31 December 2001	<u>63,153</u>	<u>325,112</u>	<u>105,972</u>	<u>16,010</u>	<u>510,247</u>
Depreciation					
As at 1 January	(18,129)	(16,198)	(26,493)	(3,161)	(63,981)
Charge for the period	(19,903)	(32,396)	(26,493)	(3,882)	(82,674)
At 31 December 2001	<u>(38,032)</u>	<u>(48,594)</u>	<u>(52,986)</u>	<u>(7,043)</u>	<u>(146,655)</u>
Net book value					
At 31 December 2001	<u>25,121</u>	<u>276,518</u>	<u>52,986</u>	<u>8,967</u>	<u>363,592</u>
At 31 December 2000	<u>36,256</u>	<u>307,764</u>	<u>79,479</u>	<u>9,483</u>	<u>432,982</u>

Notes to the accounts (continued)

6 Fixed asset investments

	2001 £	2000 £
Subsidiary undertakings at cost	<u>88,427</u>	<u>-</u>

During the year the company purchased an interest in the following company:

	Country of incorporation	Holding	Principal activity	Percentage holding
Citco Fund Services (Australia) Proprietary Limited	Australia	250,000 Ordinary shares	Fund Administrator	100%

The company is exempt from the obligation to prepare group accounts. Citco (Luxembourg) S.A., (incorporated in Luxembourg), the company's holding company, prepares consolidated group accounts, which are publicly available (note 13).

7 Debtors

The following amounts are included in debtors falling due within one year:

	2001 £	2000 £
Amounts due from group undertakings	123,605	43,962
Trade receivables	72,857	-
VAT	39,280	53,611
Prepayments	50,122	81,156
Other debtors	<u>141,176</u>	<u>163,101</u>
	<u>427,040</u>	<u>341,830</u>

Included within other debtors are rent deposits of £141,000 which are repayable in more than one year.

Notes to the accounts (continued)

8 Creditors: Amounts falling due within one year

The following amounts are included in creditors falling due within one year:

	2001 £	2000 £
Amounts owed to group undertakings	1,640,977	1,169,329
Social Security and other taxes	1,475	-
Accruals	20,000	95,896
Other creditors	27,125	889
	<u>1,689,577</u>	<u>1,266,114</u>

9 Called-up share capital

	2001 £	2000 £
<i>Authorised</i>		
451,000 (2000: 1,000) ordinary shares of £1 each	<u>451,000</u>	<u>1,000</u>
<i>Allotted, called-up and fully-paid</i>		
450,100 (2000: 100) ordinary shares of £1 each	<u>450,100</u>	<u>100</u>

On 25 July 2001, the authorised share capital was increased to £451,000 and 450,000 ordinary shares of £1 were allotted and fully paid for cash at par.

10 Reserves

	Profit and loss account £
At 1 January 2001	(365,309)
Retained loss for the year	<u>(817,085)</u>
At 31 December 2001	<u>(1,182,394)</u>

11 Reconciliation of movement in shareholder's deficit

	2001 £	2000 £
Opening shareholder's deficit	(365,209)	-
New shares issued	450,000	100
Retained loss for the year	<u>(817,085)</u>	<u>(365,309)</u>
Closing shareholder's deficit	<u>(732,294)</u>	<u>(365,209)</u>

Notes to the accounts (continued)

12 Operating leases

The company is committed to the following annual operating rentals expiring as follows:

	Land and buildings £	Other £
Expiry date:		
After 5 years	<u>195,000</u>	<u>24,500</u>

13 Ultimate controlling party

The company is a wholly owned subsidiary undertaking of Citco (Luxembourg) S.A., a company incorporated in Luxembourg. Consolidated group accounts are publicly available from the Luxembourg Chamber of Commerce. The directors regard The Citco Group Limited, a company incorporated in the Cayman Islands, as the ultimate parent company and the ultimate controlling party. The consolidated accounts of this group are not publicly available.