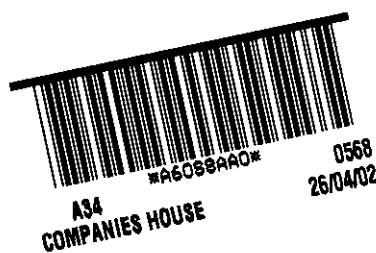


Theorema Asset Management Limited

Report and Accounts
31 December 2001



OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors	G Govi E Antonaci
Company Secretary	SLC Registrars Ltd
Auditors	Rees Pollock 7 Pilgrim Street London EC4V 6DR
Bankers	Royal Bank of Scotland 49 Charing Cross Road London SW1A 2DX
Solicitors	Illiad Consulting 7 Down Street London W1J 7AJ
Registered Office	42-46 High Street Esher Surrey KT10 9QY
Registered Number	04126284

DIRECTORS' REPORT

The directors present their report and accounts of the company for the period from 15 December 2000 to 31 December 2001.

Principal activities and business review

The principal activity of the company during the year was that of an investment advisor.

The company was incorporated on 15 December 2000 and was admitted to membership of IMRO (now FSA) on 18 April 2001.

Results and dividends

The trading results for the period, and the company's financial position at the end of the period are shown in the attached accounts.

The directors have not recommended a dividend.

Directors

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

G Govi	(Appointed 15 December 2000)
E Antonaci	(Appointed 15 December 2000)
D Venus	(Served from 15 December 2000 to 15 December 2000)

G Govi is the beneficiary of a trust which holds 110,000 ordinary shares and E Antonaci is the beneficiary of a trust which holds 109,999 ordinary shares.

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 at the end of the period and of the profit or loss for the period then ended.

In preparing those accounts, the directors are required to:

select suitable accounting policies, as described on page 8, 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.

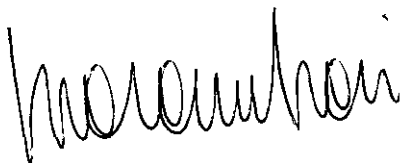
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Rees Pollock were appointed as the company's first auditors.

A resolution to re-appoint Rees Pollock as auditors for the ensuing year will be proposed at the annual general meeting.

ON BEHALF OF THE BOARD



G Govi
Director

23 APRIL 2002



REES POLLOCK

Chartered Accountants

7 Pilgrim Street

London EC4V 6DR

Telephone 020 7329 6404

Fax 020 7329 6408

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THEOREMA ASSET MANAGEMENT LIMITED

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

Respective responsibilities of the directors and the auditors

As described on page 2, the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 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 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 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 as at 31 December 2001 and of the loss of the company for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

Rees Pollock

Rees Pollock
Chartered Accountants
Registered Auditor

23 April 2002

PROFIT AND LOSS ACCOUNT

for the period from 15 December 2000 to 31 December 2001

	Note	Period from 15 Dec 00 to 31 Dec 01 £
TURNOVER	2	199,546
Administrative expenses		202,301
OPERATING LOSS	3	(2,755)
Interest receivable		3,376
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		621
Tax on profit on ordinary activities	5	(2,535)
LOSS FOR THE FINANCIAL PERIOD		<u>(1,914)</u>

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

All of the activities of the company are classed as continuing.

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

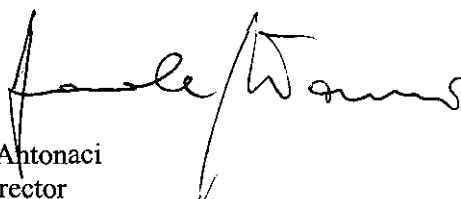
Theorema Asset Management Limited

BALANCE SHEET
at 31 December 2001

	Note	£	31 Dec 01 £
FIXED ASSETS			
Tangible assets	6		34,601
CURRENT ASSETS			
Debtors	7	173,521	
Cash at bank		73,913	
		<u>247,434</u>	
CREDITORS: amounts falling due within one year	8	<u>(61,414)</u>	
NET CURRENT ASSETS			<u>186,020</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>220,621</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	9		<u>(2,535)</u>
			<u>218,086</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12		220,000
Profit and Loss Account			(1,914)
SHAREHOLDERS' FUNDS	13		<u>218,086</u>



G Govi
Director
23 APRIL 2002



E Antonaci
Director
23 APRIL 2002

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

CASH FLOW STATEMENT

for the period from 15 December 2000 to 31 December 2001

	Note	Period from 15 Dec 00 to 31 Dec 01 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	14	(105,730)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received		3,376
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		3,376
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets		(43,733)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(43,733)
FINANCING		
Issue of equity share capital		220,000
NET CASH INFLOW FROM FINANCING		220,000
INCREASE IN CASH	15	73,913

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

NOTES TO THE ACCOUNTS

for the period from 15 December 2000 to 31 December 2001

1. ACCOUNTING POLICIES

Basis of accounting

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

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of an asset, less its estimated residual value, evenly over its expected useful economic life as follows:

Fixtures & Fittings	- 5 years
Equipment	- 3 years

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, except for those which are not expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

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. All exchange differences are taken to the profit and loss account.

2. TURNOVER

The turnover shown in the Profit and Loss account represents the amount of goods and/or services provided during the period, stated net of value added tax.

3. OPERATING LOSS

Operating loss is stated after charging:

	Period from 15 Dec 00 to 31 Dec 01 £
Directors' emoluments	-
Depreciation	9,132
Auditors' remuneration	
- audit fees	5,500
- accountancy	3,200
Operating lease costs:	
- land and buildings	<u>20,961</u>

NOTES TO THE ACCOUNTS

for the period from 15 December 2000 to 31 December 2001

4. PARTICULARS OF EMPLOYEES

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

	Period from 15 Dec 00 to 31 Dec 01 No.
Number of staff	<u>3</u>

The aggregate payroll costs of the above were:

	Period from 15 Dec 00 to 31 Dec 01 £
Wages and salaries	4,800
Social security costs	<u>482</u>
	<u>5,282</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Period from 15 Dec 00 to 31 Dec 01 £
Corporation Tax	-
Increase in deferred tax provision	<u>2,535</u>
	<u>2,535</u>

There is no tax charge for the period due to the availability of losses.

6. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Equipment £	Total £
Cost			
Additions	<u>10,504</u>	<u>33,229</u>	<u>43,733</u>
At 31 December 2001	<u>10,504</u>	<u>33,229</u>	<u>43,733</u>
Depreciation			
Charge for the period	<u>1,387</u>	<u>7,745</u>	<u>9,132</u>
At 31 December 2001	<u>1,387</u>	<u>7,745</u>	<u>9,132</u>
Net Book Value			
At 31 December 2001	<u>9,117</u>	<u>25,484</u>	<u>34,601</u>

NOTES TO THE ACCOUNTS

for the period from 15 December 2000 to 31 December 2001

7. DEBTORS

	31 Dec 01
	£
Other debtors	164,465
Prepayments and accrued income	9,056
	<u>173,521</u>

8. CREDITORS: Amounts falling due within one year

	31 Dec 01
	£
Trade creditors	413
Other creditors	49,864
Accruals and deferred income	11,137
	<u>61,414</u>

9. DEFERRED TAXATION

	Period from 15 Dec 00 to 31 Dec 01 £
The movement in the deferred taxation provision during the period was:	
Provision for period	2,535
Provision carried forward	<u>2,535</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	Period from 15 Dec 00 to 31 Dec 01 £
Excess of taxation allowances over depreciation on fixed assets	4,727
Tax losses available	<u>(2,192)</u>
	<u>2,535</u>

NOTES TO THE ACCOUNTS

for the period from 15 December 2000 to 31 December 2001

10. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	Land & Buildings
	£
Operating leases which expire:	
Within 2 to 5 years	<u>29,400</u>

11. RELATED PARTY TRANSACTIONS

As shown in the Director's report E Antonaci and G Govi are directors of this company.

E Antonaci and G Govi are also directors of Theorema Advisors Limited, a company incorporated in Bermuda. Included within the accounts are the following amounts related to this company:

Other creditors	£49,864
Turnover	£199,546
Expenses	£49,886

These transactions are the result of the company receiving management and performance fees from Theorema Advisors Limited and paying them for marketing services.

12. SHARE CAPITAL

Authorised share capital:	31 Dec 01
	£
220,000 Ordinary shares of £1.00 each	<u>220,000</u>
Allotted, called up and fully paid:	31 Dec 01
	£
Issue of ordinary shares	<u>220,000</u>

There were 220,000 ordinary £1 shares issued during the year for a consideration of £220,000.

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 Dec 01
	£
Loss for the financial period	(1,914)
New equity share capital subscribed	220,000
Net addition to funds	<u>218,086</u>
Closing equity shareholders' funds	<u>218,086</u>

NOTES TO THE ACCOUNTS

for the period from 15 December 2000 to 31 December 2001

**14. RECONCILIATION OF OPERATING LOSS TO
NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	Period from 15 Dec 00 to 31 Dec 01 £
Operating loss	(2,755)
Depreciation	9,132
Increase in debtors	(173,521)
Increase in creditors	61,414
Net cash outflow from operating activities	<u>(105,730)</u>

15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	£
Increase in cash in the period	73,913
Movement in net funds in the period	<u>73,913</u>
Net funds at 31 December 2001	<u>73,913</u>

16. ANALYSIS OF CHANGES IN NET FUNDS

	At 15 Dec 2000 £	Cash flows £	At 31 Dec 2001 £
Net cash:			
Cash in hand and at bank	-	73,913	73,913
Net funds	<u>-</u>	<u>73,913</u>	<u>73,913</u>