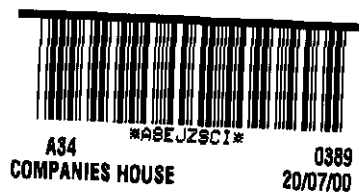


MAN-FIDEX LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

Company Number: 3538081



MAN-FIDEX LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements, which are denominated in US dollars, for the year ended 31 March 2000.

Directors' responsibilities

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit for the financial year.

The directors consider that in preparing the financial statements set out on pages 6 to 14, the Company has used appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates, and that all accounting standards which they consider to be applicable have been followed. The financial statements have been prepared on the going concern basis.

The directors have responsibility for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Principal activities and business review

The principal activity of the Company is that of Trading Advisor. From 26 April 1999 the Company has been regulated by the Securities and Futures Authority. The directors consider the prospects of the company to be good.

Results and dividends

The profit for the year after taxation amounted to \$1,393,000 (1999: \$1,000).

A dividend of \$800,000 (1999: nil) has been declared payable on 4 July 2000 in respect of the ordinary shares. The Directors have also declared, payable on 4 July 2000, a dividend on the 450,000 issued Redeemable Preference Shares at a rate equal to one percent above the six month US Dollar London Inter Bank Offer Rate on 3 July 2000. At the rate ruling on 27 June 2000 this would represent a dividend a US\$35,696, a provision for which has been incorporated in these financial statements (1999: \$nil).

The retained profit of \$557,000 has been transferred to reserves.

MAN-FIDEX LIMITED

DIRECTORS' REPORT (Continued)

Directors and interests in shares

The directors who served during the period were as follows:

M de Bonneval
L M X B d'Alañon
M V Lozowski
C W Shea

The Directors had the following notifiable interests in the £1 Ordinary Shares of Cobal Limited, a controlling undertaking:

	<u>Number held as at 31.3.00</u>	<u>Number held as at 1.4.99</u>
M de Bonneval	6,000	7,000
L M X B d'Alañon	4,000	3,000

Additionally, the Directors had the following notifiable interests in the 10p ordinary shares of E D & F Man Group plc ("plc shares"), a controlling undertaking:

	<u>Number held as at 31.3.00</u>	<u>Number held as at 1.4.99</u>
M V Lozowski	532,743	545,734
C W Shea	203,430	153,746

All the Directors with interests in the 10p ordinary shares of E D & F Man Group plc shares are deemed to be interested in the 3,177,894 plc shares held by the E D & F Man Group 1990 Employee Trust ("Employee Trust") and the 1,389,496 plc shares over which the Employee Trust holds a security interest. They are also deemed to be interested in 6,119,327 plc shares held by the E D & F Man Group (No. 2) Employees' Trust ("No. 2 Trust") and the 1,773,506 plc shares over which the No. 2 Trust holds a security interest.

Other than as disclosed above no director had any other interest required to be disclosed by the Companies Act 1985.

MAN-FIDEX LIMITED

DIRECTORS' REPORT (Continued)

Millennium programme

The company undertook an extensive programme to ensure that all operating and computer systems were Year 2000 compliant. The results of this effort were positive and no operating difficulties or interruptions were experienced.

Statutory accounts

The financial statements of the Company have been produced in US Dollars. This reflects the underlying business, which is conducted in that currency.

Auditors

PricewaterhouseCoopers have expressed their willingness to continue in office as auditors and a resolution to reappoint them as auditors of the Company will be proposed at the Company's next Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'B J Wakefield', with a stylized, flowing script.

B J Wakefield
Secretary

28 June 2000

MAN-FIDEX LIMITED

AUDITORS' REPORT TO THE MEMBERS OF MAN-FIDEX LIMITED.

We have audited the financial statements on pages 6 to 14.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report. As described on page 1 this includes responsibility for preparing the financial statements in accordance with the applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established by United Kingdom statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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.

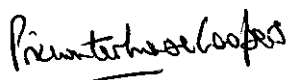
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

MAN-FIDEX LIMITED

AUDITORS' REPORT TO THE MEMBERS OF MAN-FIDEX LIMITED (Continued)

Opinion

In our opinion the financial statements, which are denominated in US dollars, give a true and fair view of the state of affairs of the company as at 31 March 2000, and of its profit for the year then ended and have been properly prepared in accordance with the United Kingdom Companies Act 1985.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', with a horizontal line underneath the first part of the name.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Southwark Towers
32 London Bridge Street
London
SE1 9SY

28 June 2000

MAN-FIDEX LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2000

	Note	2000 \$'000	1999 \$'000
Trading profit	1(d)	3,345	417
Operating expenses		(1,390)	(414)
Operating profit		<u>1,955</u>	<u>3</u>
Net interest receivable/(payable)		<u>48</u>	<u>(1)</u>
Profit on ordinary activities before taxation	3	2,003	2
Tax on profit on ordinary activities	5	<u>(610)</u>	<u>(1)</u>
Profit on ordinary activities after taxation		1,393	1
Finance costs on non-equity shares		(36)	-
Dividends	6	<u>(800)</u>	<u>-</u>
Transferred to reserves		<u><u>557</u></u>	<u><u>1</u></u>

All of the Company's activities were in respect of continuing operations.

There are no recognised gains or losses other than the profit for the year.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

A reconciliation of movements in shareholders' funds is set out in note 11.

The notes on pages 9 to 14 form part of these financial statements.

MAN-FIDEX LIMITED

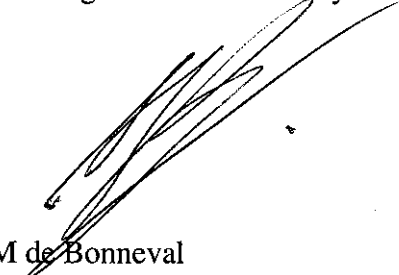
BALANCE SHEET

As at 31 March 2000

	Note	\$'000	2000 \$'000	1999 \$'000
Current assets				
Debtors	7	671	365	
Cash at bank		<u>2,266</u>	<u>489</u>	
			2,937	854
Creditors – amounts falling due within one year	8		(1,927)	(401)
Net assets			<u>1,010</u>	<u>453</u>
Capital and reserves				
Called up share capital	9		452	452
Profit and loss account	10		558	1
Total shareholders' funds	11		<u>1,010</u>	<u>453</u>
Analysis of shareholders' funds				
Equity			560	3
Non equity			<u>450</u>	<u>450</u>
			<u>1,010</u>	<u>453</u>

The notes on pages 9 to 14 form part of these financial statements.

The financial statements on pages 6 to 14 were approved by the Board on 28 June 2000 and were signed on its behalf by:



M de Bonneval

Director

MAN-FIDEX LIMITED

CASH FLOW STATEMENT

For the year ended 31 March 2000

	Note	\$'000	2000 \$'000	1999 \$'000
Net cash inflow from operating activities	12		1,784	38
Returns on investments and servicing of finance				
Interest received		48		1
Interest paid		-		(2)
Net cash inflow/outflow from returns on investments and servicing of finance			48	(1)
Taxation paid			(55)	-
Financing				
Issue of equity shares		-		2
Issue of redeemable preference shares		-		450
Net cash inflow from financing			-	452
Increase in cash			<u>1,777</u>	<u>489</u>
Reconciliation of net cash flow movement				
Increase in cash in the period			1,777	489
Opening net funds			<u>489</u>	<u>-</u>
Closing net funds			<u>2,266</u>	<u>489</u>

MAN-FIDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

(a) Accounting convention

The accounts are prepared under the historical cost convention and in accordance with accounting principles generally acceptable in the United Kingdom.

(b) Deferred taxation

Deferred taxation is calculated using the liability method and provision is made to the extent that it is probable that such tax will become payable in the foreseeable future.

(c) Foreign currencies

Balances arising during the year in currencies other than the reporting currency have been converted at the rate ruling at the time of accounting for the transaction. Currency balances at 31 March 2000 have been converted at the rate ruling at that date except where covered by an open foreign exchange contract in which case the rate specified in the contract is used. Foreign exchange differences are taken to the profit and loss account. Sterling balances have been translated to dollars at a rate of 1.595. (1999:1.61)

(d) Trading profit

Owing to the nature of the Company's activities, figures for turnover are not appropriate and are therefore not disclosed.

MAN-FIDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Net interest receivable/(payable)

	2000 \$'000	1999 \$'000
Interest receivable and similar income:	48	1
Interest payable and similar charges:	-	(2)
	<u>48</u>	<u>(1)</u>

3. Profit on ordinary activities before taxation

	2000 \$'000	1999 \$'000
Profit on ordinary activities before taxation is stated after charging:		
- auditors' remuneration	<u>11</u>	<u>6</u>

Operating expenses comprises primarily administration expenses.

4. Directors and other employees

	2000 \$'000	1999 \$'000
Staff costs include the following:		
- wages and salaries	778	177
- social security costs	<u>113</u>	<u>27</u>
	<u>891</u>	<u>204</u>

	2000 Number	1999 Number
The average weekly number of persons employed by the Company during the period (including directors) was as follows:	<u>8</u>	<u>6</u>

	2000 \$'000	1999 \$'000
The emoluments of the directors were as follows:		
- for services as executives	<u>191</u>	<u>79</u>

The emoluments of the highest paid director amounted to \$191,000 (1999: \$79,000).
The Company did not make any payments in respect of his pension.

MAN-FIDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Tax on profit on ordinary activities

	2000 \$'000	1999 \$'000
Based on the profit for the year:		
- corporation tax at 30% (1999: 21%)	<u>610</u>	<u>1</u>

6. Dividends and Finance costs

	2000 \$'000	1999 \$'000
Finance costs on redeemable preference shares	36	-
Proposed dividend on ordinary shares	<u>800</u>	<u>-</u>
	<u>836</u>	<u>-</u>

7. Debtors – amounts falling due within one year

	2000 \$'000	1999 \$'000
Trade debtors	402	311
Other debtors	269	54
	<u>671</u>	<u>365</u>

8. Creditors - amounts falling due within one year

	2000 \$'000	1999 \$'000
Trade creditors	169	331
Taxation and social security	610	56
Accruals and deferred income	312	14
Proposed dividends and finance costs	<u>836</u>	<u>-</u>
	<u>1,927</u>	<u>401</u>

MAN-FIDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Share capital

	Authorised Number	£	Issued and fully paid Number	£
Ordinary shares of £1 each - Attributable to equity interests				
Classes of shares:				
- A shares	490	490	490	490
- B shares	510	510	510	510
At 1 April 1999 and 31 March 2000	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
				\$
Converted to US Dollars				<u>1,600</u>
				\$
Redeemable				
Preference shares of \$1 each - Attributable to non-equity interests				
At 1 April 1999 and 31 March 2000	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>

The ordinary share capital is converted into US Dollars at the fixed rate of \$1.600 to £1 for the original issue of 1000 shares. The ultimate liability to shareholders, however, remains in sterling. If at any time this translation results in a statement of reduced liability compared with the rate of exchange at the balance sheet date, a transfer will be made to non-distributable reserves in order to maintain the sterling value of the share capital. Both classes of ordinary shares rank *pari passu* in all respects.

The redeemable preference shares are non-cumulative, non-voting and may be redeemed at any time subject to 30 days prior written notice of redemption being given to the SFA. Dividends are calculated by reference to the six month US Dollar LIBOR rate on 1 July (or the next business day) following the financial period end.

MAN-FIDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. Reserves

	Profit and loss Account \$'000
At 1 April 1999	1
Retained profit for the period	557
At 31 March 2000	<u>558</u>

11. Reconciliation of movements in shareholders' funds

	2000 \$'000	1999 \$'000
Profit for the financial year	1,393	1
Dividends	(836)	-
Net increase in shareholders' funds	<u>557</u>	<u>1</u>
Share capital issued	-	452
Opening shareholders' funds	<u>453</u>	<u>-</u>
Closing shareholders' funds	<u>1,010</u>	<u>453</u>

12. Reconciliation of operating profit to net cash flow from operating activities

	2000 \$'000	1999 \$'000
Operating profit	1,955	3
Increase in debtors	(306)	(365)
Increase in creditors	<u>135</u>	<u>400</u>
Net cash inflow from operating activities	<u>1,784</u>	<u>38</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Related Parties

The two controlling undertakings (see note 14 below) Cobal Limited and E D & F Man Limited are considered to be related parties as defined by Financial Reporting Standard 8 ("FRS8"). As required by FRS8 the Company is required to disclose details of transactions and balances with related parties as outlined below:

	2000 \$'000	1999 \$'000
Transactions:		
Management fees receivable from Man Mash Limited	245	247
Licence fees receivable from Man Management AG	250	208
Receivable from E D & F Man Group undertakings	<u>495</u>	<u>455</u>
 Licence fees payable to Cobal Ltd	 (250)	 (208)
 Balances:		
E D & F Man Group undertakings	357	269
E D & F Man Group undertakings	(128)	(315)

14. Controlling undertakings

The directors regard the Company as being jointly controlled by Cobal Limited, a Company registered in Jersey, and E D & F Man Limited, a company registered in England. The ultimate parent undertaking of E D & F Man Limited is E D & F Man Group plc. The financial statements of Cobal Limited are available from:

Kleinwort Benson (Jersey) Trustees Limited
PO Box 76 Wests Centre
St. Helier
Jersey JE4 8PQ
Channel Islands

The financial statements of E D & F Man Group plc are available from:

E D & F Man Group plc
Sugar Quay
Lower Thames Street
London EC3R 6DU