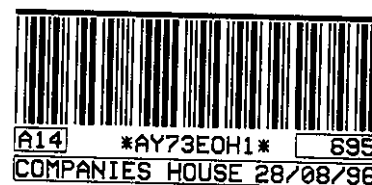


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ALYPH LIMITED
REPORT AND FINANCIAL STATEMENTS
30th NOVEMBER 1995



Alyph Limited

Director

A. Saran

Secretary and Registered Office

Cornhill Secretaries Limited
St. Paul's House, Warwick Lane, London, EC4P 4BN

Auditors

Moore Stephens
Chartered Accountants
St. Paul's House, Warwick Lane, London, EC4P 4BN

Report of the Director

The director presents his report and audited financial statements for the year ended 30th November 1995.

Review of Activities

The principal activity of the company is that of project brokers.

Results and Dividends

The profit for the year amounted to £28,238 and the director recommends that this amount be transferred to reserves.

The director does not recommend the payment of a dividend.

Fixed Assets

Movements in fixed assets are set out in note 5 on page 9.

Director's Interests

The director had no interest as defined by the Companies Act 1985 in the share capital of the company at any time during the period.

Alyph Limited**Report of the Directors (Continued)****Auditors**

The auditors, Messrs Moore Stephens are willing to continue in office. A resolution for their re-appointment and authorising the director to fix their remuneration will be submitted to the annual general meeting.

In preparing this report advantage has been taken of the exemptions applicable to small companies.

By Order of the Board


CORNHILL SECRETARIES LIMITED

Secretary

21st August 1996

Alyph Limited**Statement of Directors' Responsibilities**

Company law requires the director 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 profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 financial statements comply with the Companies Act 1985. He is 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.

**Report of the Auditors to the Members of
Alyph Limited**

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described on page 3 the company's director is 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.

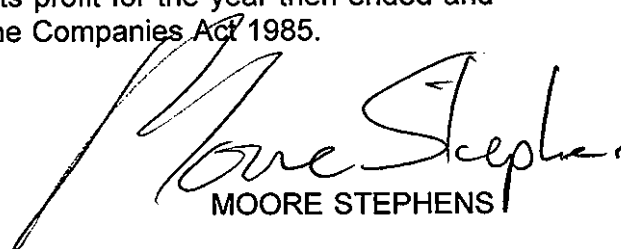
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th November 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House,
London, EC4P 4BN

23rd August 1996



MOORE STEPHENS

Registered Auditor
Chartered Accountants

Alyph Limited

Profit and Loss Account
For the year ended 30th November 1995

	<u>Note</u>	Year to 30th November <u>1995</u>	Period from 8th June 1993 to 30th November <u>1994</u>
Turnover	1(b)	470,152	662,783
Administrative expenses		449,831	647,729
		<hr/>	<hr/>
Operating Profit	2	20,321	15,054
Interest receivable		24,814	7,230
		<hr/>	<hr/>
Profit on Ordinary Activities before Taxation		45,135	22,284
Taxation charge for the period	4	(16,897)	(5,000)
		<hr/>	<hr/>
Retained Profit for the Period		£ 28,238	£ 17,284
		<hr/>	<hr/>
Summary of Retained Profits			
At 1st December 1994		17,284	-
Profit for the financial period		28,238	17,284
		<hr/>	<hr/>
At 30th November 1995		£ 45,522	£ 17,284
		<hr/>	<hr/>

All turnover relates to continuing activities and there are no recognised gains or losses other than those shown in the profit and loss account.

Alyph Limited

Balance Sheet at 30th November 1995

	Note	1995	1994
Fixed Assets			
Tangible assets	5	69,073	65,451
Current Assets			
Debtors	6	504,118	303,442
Cash at bank and in hand		275,261	438,839
		<u>779,379</u>	<u>742,281</u>
Creditors, amounts falling due within one year	7	(32,563)	(25,912)
		<u>746,816</u>	<u>716,369</u>
Net Current Assets			
Total Assets Less Current Liabilities		<u>815,889</u>	<u>781,820</u>
Creditors, amounts falling due after more than one year	7	(714,536)	(714,536)
Provision for liabilities and charges	9	(5,831)	-
		<u>£ 95,522</u>	<u>£ 67,284</u>
Capital and Reserves Attributable to Equity Shareholders			
Called up share capital	10	50,000	50,000
Profit and loss account		45,522	17,284
		<u>£ 95,522</u>	<u>£ 67,284</u>

In preparing these accounts, advantage has been taken of the exemptions applicable to small companies on the grounds that the director believes that the company is a small company.

The financial statements were approved by the director on 21/08/96

A. SARAN - Director

William A. Saran
21st August '96

Alyph Limited**Financial Statements for the year ended 30th November 1995****Notes****1. Principal Accounting Policies****(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

(b) Turnover

Turnover represents fees and commissions receivable on brokering deals.

Income is recognised in accordance with the terms in individual contracts.

(c) Expenses

Expenses on ongoing projects are accounted for as incurred.

(d) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at the following rates which aim to write off the cost of the assets over their expected useful lives:

Fixtures	- 15% per annum on cost
Office equipment	- 15% per annum on cost

(e) Operating leases

The cost of operating leases are charged as incurred.

(f) Foreign currencies

Transactions in foreign currencies during the year are translated into sterling at the rate of exchange ruling at the time of the transaction. Liabilities and current assets expressed in foreign currencies at the balance sheet date are translated into sterling at the rates ruling at that date.

(g) Deferred taxation

Deferred taxation is provided for on the liability method in respect of taxation effects of all timing differences of a material amount other than those which can be demonstrated with reasonable probability to continue into the foreseeable future.

Alyph Limited**Financial Statements for the year ended 30th November 1995****Notes (Continued)****2. Operating Profit**

Operating profit is stated after charging:

	Year to 30th November <u>1995</u>	Period from 8th June 1993 to 30th November <u>1994</u>
	£	£
Depreciation on tangible fixed assets	14,227	11,954
Auditors' remuneration for audit services	4,500	4,500
Amounts paid under operating leases for land and buildings	80,000	80,000
	<u> </u>	<u> </u>

3. Staff Costs

Wages and salaries	147,414	227,352
Social security costs	14,784	23,053
	<u> </u>	<u> </u>
£	162,198	£ 250,405
	<u> </u>	<u> </u>

The average number of employees during the period was 6, (1994: 5) employed in project development.

4. Taxation on Ordinary Activities

United Kingdom corporation tax based on the taxable profit for the period, at 25%	10,000	5,000
Prior year underprovision	1,066	-
Deferred taxation	5,831	-
	<u> </u>	<u> </u>
£	16,897	£ 5,000
	<u> </u>	<u> </u>

Alyph Limited

Financial Statements for the year ended 30th November 1995

Notes (Continued)

5. Tangible Fixed Assets

	Office Equipment	Furniture	Total
Cost			
At 1st December 1994	25,450	51,557	77,007
Additions	17,849	-	17,849
At 30th November 1995	£ 43,299	£ 51,557	£ 94,856
Depreciation			
At 1st December 1994	3,823	7,733	11,556
Charge for the period	6,494	7,733	14,227
At 30th November 1995	£ 10,317	£ 15,466	£ 25,783
Net book value			
At 30th November 1995	£ 32,982	£ 36,091	£ 69,073
At 30th November 1994	£ 21,627	£ 43,824	£ 65,451

6. Debtors

	1995	1994
Trade debtors	383,132	191,510
Other debtors	106,078	94,672
Prepayments and accrued income	14,908	17,260
	£ 504,118	£ 303,442

Alyph Limited

Financial Statements for the year ended 30th November 1995

Notes (Continued)

7. Creditors

	<u>1995</u>	<u>1994</u>
Amounts falling due within one year		
Corporation tax	10,000	5,000
Taxation and social security payable	6,541	4,314
Accruals and deferred income	15,019	16,598
Other creditors	1,003	-
	<hr/>	<hr/>
	£ 32,563	£ 25,912
	<hr/>	<hr/>
Amounts falling due after more than one year		
Unsecured loan from parent company	£ 714,536	£ 714,536
	<hr/>	<hr/>

This loan is unsecured and interest free.

8. Lease Obligations

The company has the following annual commitments in respect of non-cancellable leases which expire:

	<u>Land and Buildings</u>	<u>Land and Buildings</u>
Less than one year	80,000	-
Within 1-2 years	-	80,000
	<hr/>	<hr/>

9. Provision for Liabilities and Charges

	<u>1995</u>
Deferred taxation	
Provision as at 1st December 1994	-
Charge for the year	5,831
	<hr/>
Provision as at 30th November 1995	£ 5,831
	<hr/>

The deferred taxation provision relates to accelerated capital allowances £3,276 (1994: Nil) and short term timing differences £2,555 (1994: Nil).

Alyph Limited**Financial Statements for the year ended 30th November 1995****Notes (Continued)****10. Called Up Share Capital**

	<u>1995</u>	<u>1994</u>
Authorised		
250,000 ordinary shares of £1 each	£ 250,000	£ 250,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
50,000 ordinary shares of £1 each	£ 50,000	£ 50,000
	<u> </u>	<u> </u>

11. Ultimate Parent Company

In the opinion of the directors, the ultimate parent company is Alpha Global Inc, a company incorporated in Panama.