



ALPHASTAR INVESTMENTS LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000



GERALD EDELMAN

CHARTERED ACCOUNTANTS

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ALPHASTAR INVESTMENTS LIMITED

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ALPHASTAR INVESTMENTS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

The director presents his report and financial statements for the year ended 31 December 2000.

Principal activities and review of the business

The principal activity of the company is that of a nominee on behalf of property owning companies. The company did not trade on its own account during the year under review.

Results and dividends

The director does not propose to declare a dividend in respect of the year.

Director

The following director has held office since 1 January 2000:

M. R. Turner

Director's interests

The director's beneficial interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	31 December 2000	1 January 2000
M. R. Turner	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put to the Annual General Meeting.

Director's 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 to enable him 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.

By order of the board



M. R. Turner

Director

30 June 2001

ALPHASTAR INVESTMENTS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF ALPHASTAR INVESTMENTS LIMITED

We have audited the financial statements on pages 3 to 4 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

Respective responsibilities of the director and auditors

As described on page 1 the company's director is responsible for the preparation of 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 director 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and have been properly prepared in accordance with the Companies Act 1985.



Gerald Edelman

Chartered Accountants
Registered Auditor

30 June 2001

25 Harley Street
London
W1G 9BR

ALPHASTAR INVESTMENTS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2000

	Notes	2000 £	1999 £
Current assets			
Debtors	3	2	2
Total assets less current liabilities		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	4	2	2
Shareholders' funds - equity interests	5	<u>2</u>	<u>2</u>

The financial statements were approved by the Board on 30 June 2001



M. R. Turner
Director

ALPHASTAR INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

2 Profit and loss account

The company was inactive during the year under review and made neither profits nor losses either on an historical cost or any other basis.

3 Debtors	2000 £	1999 £
Other debtors	2	2

4 Share capital	2000 £	1999 £
Authorised 1,000 Ordinary shares of £ 1 each	1,000	1,000
Allotted, called up and fully paid 2 Ordinary shares of £ 1 each	2	2

5 Reconciliation of movements in shareholders' funds	2000 £	1999 £
Results for the financial period	-	-
Opening shareholders' funds	2	2
Closing shareholders' funds	2	2

6 Control

The company is a wholly owned subsidiary of Distantview Limited, whose ultimate holding company is Alkos Syndicate SA, a company registered in Panama.