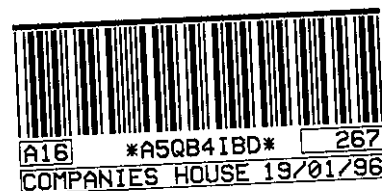


NORMANDIE ESTATES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 1995

Company Number: 1835708

RAWI & CO
128 EBURY STREET
LONDON
SW1W 9QQ



NORMANDIE ESTATES LIMITED

Company Information

Directors	A. A. Al-Hassawi (Chairman) N.K. Jaffar
Secretary	Mrs B.N. Hornby
Company Number	1835708
Registered Office	179 Great Portland Street London W1N 5FD
Auditors	Rawi & Co Chartered Accountants and Registered Auditors 128 Ebury Street London SW1W 9QQ

NORMANDIE ESTATES LIMITED

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The following page does not form part of the statutory accounts:

Income and expenditure account

NORMANDIE ESTATES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 1995

The directors submit their report and the financial statements for the year ended 31 March 1995.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for the company for that period. In preparing those accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 or other irregularities.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company during the year was that of short term furnished lettings.

The loss on ordinary activity for the year before taxation was £111,476 (1994: Loss £223,670). The full details of the results for the year are set out on page 1.

The directors consider the results achieved on the ordinary activity before taxation to be an improvement on the previous year given the difficult conditions. The market continues to be difficult and the directors are not hopeful of the results in the forthcoming year

DIVIDENDS

In view of the current and future requirements of the company the directors do not recommend the payment of a dividend.

FIXED ASSETS

Details of movements in fixed assets are set out in note 7 to the financial statements.

NORMANDIE ESTATES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 1995

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were :

	Ordinary shares of £1 each	
	1995	1994
A. Al-Hassawi	-	-
N.K. Jaffar	-	-

CLOSE COMPANY STATUS

In the opinion of the directors the company is a close company as defined by the Income and Corporation Taxes Act, 1988.

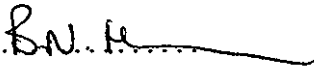
AUDITORS

The auditors, Rawi & Co, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members.

SMALL COMPANY EXEMPTION

In preparing the Directors' Report the directors have taken advantage of the special exemption applicable to small companies on the ground that the company is small.

This report was approved by the board on ~~12 January 96~~ and signed on its behalf.

...  .
B.N. Hornby (Mrs)
Secretary

AUDITORS' REPORT
TO THE SHAREHOLDERS OF NORMANDIE ESTATES LIMITED

We have audited the accounts on pages 1 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 3 .

Respective responsibilities of directors and auditors

As described on the Directors' Report the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial 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 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.

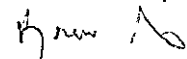
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Fundamental Uncertainty: going concern

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the current and future finances available to the company. The financial statements have been prepared on a going concern basis, the validity of which depends on the continued support of its parent and fellow subsidiary undertakings and that adequate cash facilities will continue to be made available. The financial statements do not include any adjustments that would result from a failure to receive continued financial support. Details of the circumstances relating to this fundamental uncertainty are described in note 1.1(b) to the financial statements. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ravi & Co
Chartered Accountants and Registered Auditors
128 Ebury Street
London
SW1W 9QQ

Date: 12.1.96

NORMANDIE ESTATES LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 March 1995

	Note	£	1994 £
Turnover	2	165,039	132,332
less:			
Administrative expenses		(273,322)	(353,193)
Operating loss before interest	3	(108,283)	(224,882)
Interest receivable	5	1,288	1,224
Interest payable	5	(4,481)	(4,033)
Loss on ordinary activity before taxation		(111,476)	(223,670)
Tax on ordinary activity	6	-	-
Retained loss for the year		(111,476)	(223,670)
Retained loss brought forward		(1,075,001)	(815,331)
Retained loss carried forward		<u>£(1,186,477)</u> =====	<u>£(1,075,001)</u> =====

NOTE

Continuing Operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total Recognised Gains and Losses

There were no recognised gains or losses for 1995 and 1994 other than those included in the profit and loss account.

The notes on pages 3 to 7 form part of these financial statements.

NORMANDIE ESTATES LIMITED

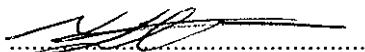
BALANCE SHEET

As at 31 March 1995

	Note	£	1994 £
FIXED ASSETS			
Tangible fixed assets	7	1 --	1 --
CURRENT ASSETS			
Debtors	8	67,525	46,978
Cash at bank and in hand		23,916	40,216
		<u>91,441</u>	<u>87,194</u>
CREDITORS: amounts falling due within one year	9	<u>(1,277,819)</u>	<u>(1,162,096)</u>
NET CURRENT LIABILITIES		<u>(1,186,378)</u>	<u>(1,074,902)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,186,377)</u>	<u>(1,074,901)</u>
NET LIABILITIES		<u>£(1,186,377)</u>	<u>£(1,074,901)</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account		<u>(1,186,477)</u>	<u>(1,075,001)</u>
EQUITY SHAREHOLDERS' DEFICIENCY	11	<u>£(1,186,377)</u>	<u>£(1,074,901)</u>

In preparing these financial statements, the directors have taken advantage of the special exemption applicable to small companies on the ground that the company is small.

The financial statements were approved by the board on 12th January, 96 and signed on its behalf:



Director
N.K. Jaffar

The notes on pages 3 to 7 form part of these financial statements.

NORMANDIE ESTATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1995

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

(a) Accounting conventions

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

(b) Going concern

The company meets its day to day working capital requirements through internal funding from its parent company and subsidiary undertakings thereof.

The directors have indicated that it is reasonable to rely on the continuation, into the foreseeable future, of financial support of its parent and fellow group companies. On the basis of this information and the conduct of its financial affairs subsequent to the balance sheet date, the directors consider it appropriate to prepare the financial statements on the going concern basis.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant, machinery, fixtures, fittings & office equipment	-	20% straight line
--	---	-------------------

A full year's depreciation charge is provided on tangible fixed assets acquired during the year and none is provided in the year of disposal.

1.3 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

NORMANDIE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1995

2. Turnover

Turnover comprises of rents receivable from short terms lettings, net of Value Added Tax.

3. Operating loss

The operating loss is stated after charging:

	1995	1994
	£	£
Auditors' remuneration	4,000	4,700
Hire of equipment	264	1,055
	<u>=====</u>	<u>=====</u>

4. STAFF COSTS

Staff costs, were as follows:

	£	£
Wages and salaries	52,127	50,480
Social security costs	4,205	4,755
	<u>=====</u>	<u>=====</u>
	56,332	55,235
	<u>=====</u>	<u>=====</u>

The directors did not receive any remuneration during the year (1994: nil).

The average weekly number of employees, including directors, during the year was as follows:

Office and administration,	8	8
	<u>==</u>	<u>==</u>

5. INTEREST

	£	£
(a) Interest receivable		
From banks	1,288	1,224
	<u>=====</u>	<u>=====</u>
(b) Interest payable		
On bank overdrafts	-	12
On amount owed to immediate parent company	4,481	4,021
	<u>=====</u>	<u>=====</u>
	4,481	4,033
	<u>=====</u>	<u>=====</u>

NORMANDIE ESTATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1995

6. Taxation

In view of the company's loss for the year, as adjusted for tax purposes, no provision for corporation tax is considered necessary. (1994: £ Nil). The company also has substantial unrelieved tax losses brought forward from previous years.

7. Tangible fixed assets

(a) Summary	Furniture, fixtures & equipment £
Cost or valuation:	
At 1 April 1994 and 31 March 1995	10,773
	=====
Depreciation:	
At 1 April 1994 and 31 March 1995	10,772
	=====
Net book value:	
At 31 March 1995	1
	=
At 31 March 1994	1
	=

(b) Capital commitments

At 31 March 1995 there were no capital expenditure commitments either authorised but not committed or against which orders had been placed.

NORMANDIE ESTATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1995

8. Debtors

	1995	1994
	£	£
Trade debtors	189	1,360
Amounts owed by parent and fellow subsidiary undertakings	53,047	31,342
Prepayments and accrued income	14,289	14,276
	<u>67,525</u>	<u>46,978</u>
	=====	=====

9. Creditors: amounts falling due within one year

	£	£
Amounts owed to fellow subsidiary undertakings	1,215,279	1,079,517
Other taxes and social security costs	24,579	23,336
Other creditors	15,132	15,508
Accruals and deferred income	22,829	43,735
	<u>1,277,819</u>	<u>1,162,096</u>
	=====	=====

10. Share capital

Equity	£	£
£1 ordinary		
- Authorised	1,000	1,000
	=====	=====
- Allotted, called up and fully paid	100	100
	===	===

11. Reconciliation of movements in shareholders' funds

	£	£
Loss for the financial year	(111,476)	(223,670)
Opening shareholders' deficit	(1,074,901)	(851,231)
	<u>(1,186,377)</u>	<u>(1,074,901)</u>
Closing shareholders' deficit	=====	=====

NORMANDIE ESTATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1995

12. Parent undertakings

The company's immediate parent undertaking is Messila House Limited, a company incorporated in England, however the directors regard Alsabahia Incorporated, a company incorporated in Panama, as the company's ultimate parent undertaking.

13. Cash Flow Statement

The company has adopted Financial Reporting Standard No 1 "Cash Flow Statement". As the company is a small reporting entity as defined by the standard it is exempt from including a cash flow statement as part of its Financial Statements.