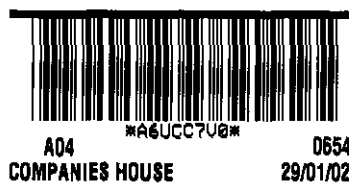


NORMANDIE ESTATES LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2001

Company number: 1835708

RAWI & CO
CHARTERED ACCOUNTANTS
128 EBURY STREET
LONDON
SW1W 9QQ



NORMANDIE ESTATES LIMITED

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NORMANDIE ESTATES LIMITED

Company Information

Directors	A. Al-Hassawi (Chairman) N.K. Jaffar
Secretary	Mrs. B.N. Hornby
Company Number	1835708
Registered Office	51 South Audley Street London W1K 2AA
Auditors	Rawi & Co Chartered Accountants and Registered Auditors 128 Ebury Street London SW1W 9QQ

NORMANDIE ESTATES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2001

The directors submit their report and the accounts for the year ended 31 March 2001.

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 accounts;
- make judgements and estimates that are reasonable and prudent;
- 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 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 ACTIVITIES

The principal activity during the year was that of short-term furnished lettings and estate agency.

REVIEW OF THE BUSINESS

The loss on ordinary activities for the year before taxation was £28,353 (2000: £38,704). 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 satisfactory and expect improvement in the forthcoming year.

FIXED ASSETS

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

DIRECTORS AND THEIR INTERESTS

Mr. A. Al-Hassawi and Mr. N. K. Jaffar, who served during the year as directors, did not have any beneficial interests in the Company's issued ordinary share capital, at the beginning and at the end of the financial year.

NORMANDIE ESTATES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2001

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

A resolution to re-appoint Messrs Rawi & Co. as auditors will be put to the members at the Annual General Meeting.

SMALL COMPANY

The above directors' report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on January 28, 2002 and signed on its behalf.



B.N. Hornby (Mrs.)
Secretary

AUDITORS' REPORT
TO THE SHAREHOLDERS OF NORMANDIE ESTATES LIMITED

We have audited the accounts of Normandie Estates Limited, for the year ended March 31, 2001 which comprise pages 1 to 6. These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is 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.

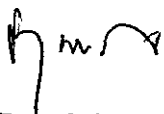
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error.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

Fundamental Uncertainty: going concern

In forming our opinion, we have considered the adequacy of the disclosures made in the accounts concerning the current and future finances available to the company. The accounts 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 accounts 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 accounts. Our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 2001 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: 28/1/2002

NORMANDIE ESTATES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2001

		2001 £	2000 £
Turnover	Note 2	500,497	456,625
Less:			
Administrative expenses		(545,085)	(502,534)
Operating loss	3	(44,588)	(45,909)
Interest receivable	5	16,235	7,205
Loss on ordinary activities before taxation		(28,353)	(38,704)
Taxation	6	-	-
Loss for the year		(28,353)	(38,704)
Adverse balance brought forward		(1,571,573)	(1,532,869)
Adverse balance carried forward		<u>£(1,599,926)</u>	<u>£(1,571,573)</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

The company has no recognised gains or losses other than the loss for the above two financial years

(The notes on pages 3 to 6 are an integral part of these accounts.)

NORMANDIE ESTATES LIMITED

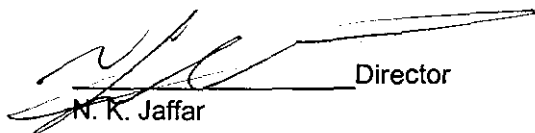
BALANCE SHEET

AS AT 31 MARCH 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible fixed assets	7	<u>3,776</u>	<u>7,862</u>
CURRENT ASSETS			
Debtors	8	179,576	108,833
Cash at bank and in hand		<u>473,500</u>	<u>320,842</u>
		653,076	429,675
CREDITORS:			
Amounts falling due within one year	9	<u>(463,378)</u>	<u>(2,009,010)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>189,698</u>	<u>(1,579,335)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		193,474	(1,571,473)
CREDITORS:			
Amounts falling due after more than one year	10	(1,793,300)	-
NET LIABILITIES		<u><u>£(1,599,826)</u></u>	<u><u>£(1,571,473)</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account		(1,599,926)	(1,571,573)
EQUITY SHAREHOLDERS DEFICIENCY	12	<u><u>£(1,599,826)</u></u>	<u><u>£(1,571,473)</u></u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the board on 28 January 2002 and signed on its behalf by:

 Director
N. K. Jaffar

(The notes on pages 3 to 6 are an integral part of these accounts.)

NORMANDIE ESTATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001

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 in accordance with the Financial Reporting Standards for Smaller Entities (Effective March 2000).

(b) Going concern

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

(c) Cashflow Statement

The company has adopted Financial Reporting Standard No 1 "Cash Flow Statements". 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.

1.2 Tangible fixed assets and depreciation

Tangibles 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 and office equipment	-	20% straight line
Motor Vehicles	-	25% 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 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets.

Assets acquired by finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase are depreciated over their estimated useful lives.

Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period. The outstanding instalments, exclusive of interest, are included in borrowings. Interest is charged against profits in proportion to the amount of loan outstanding.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

NORMANDIE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2001

2. Turnover

Turnover comprises rents receivable from short term lettings and commission receivable, net of Value Added Tax

3. Operating loss

The operating loss is stated after accounting for:

	2001	2000
	£	£
Auditors remuneration	8,000	13,745
Depreciation	<u>3,884</u>	<u>5,372</u>

4. Staff costs

	2001	2000
	£	£
Staff costs, were as follows:		
Wages and salaries	157,313	144,916
Social security costs	14,607	10,912
	<u>171,920</u>	<u>155,828</u>

The directors did not receive any remuneration during the year (2000:nil)

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

Office and administration	<u>11</u>	<u>11</u>
---------------------------	-----------	-----------

5. Interest

	2001	2000
	£	£
Bank interest receivable	<u>16,235</u>	<u>7,205</u>

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 (2000: £ Nil).

The company surrendered its losses to the parent company "Messila House limited" and there is no amount receivable from Messila house limited for the surrender of losses.

NORMANDIE ESTATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001

7. Tangible fixed assets

(a) Summary	Furniture, fixtures & equipment	Motor Vehicles	Total
	£	£	£
Cost or valuation:			
At 1 April 2000	31,382	5,000	36,382
Disposals	(454)	-	(454)
At 31 March 2001	<u>30,928</u>	<u>5,000</u>	<u>35,928</u>
Depreciation:			
At 1 April 2000	26,020	2,500	28,520
Written back on disposal	(252)	-	(252)
Charge for the year	2,634	1,250	3,884
At 31 March 2001	<u>28,402</u>	<u>3,750</u>	<u>32,152</u>
Net book value:			
At 31 March 2001	<u>2,526</u>	<u>1,250</u>	<u>3,776</u>
At 31 March 2000	<u>5,362</u>	<u>2,500</u>	<u>7,862</u>

(b) Capital commitments

At 31 March 2001 there were capital expenditure commitment of £82,353 against which orders had been placed.

8. Debtors

	2001	2000
	£	£
Trade debtors	19,203	19,404
Amounts owed by group undertakings	85,065	70,310
Other debtors and prepayments	75,308	19,119
	<u>179,576</u>	<u>108,833</u>

9. Creditors: amounts falling due within one year

	2001	2000
	£	£
Other creditors and accruals	298,074	249,954
Amounts owed to group undertakings	165,304	1,759,056
	<u>463,378</u>	<u>2,009,010</u>

NORMANDIE ESTATES LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2001

10. Creditors amounts falling due after more than one year	£	£
Amounts owed to group undertakings	<u>1,793,300</u>	
11. Share capital	£	£
Equity		
£1 ordinary		
- Authorised	<u>1,000</u>	<u>1,000</u>
- Allotted, called up and fully paid	<u>100</u>	<u>100</u>
12. Reconciliation of movement in shareholders deficiency	2001	2000
	£	£
Loss for the financial year	(28,353)	(38,704)
Opening shareholders' deficit	<u>(1,571,473)</u>	<u>(1,532,769)</u>
Closing shareholders deficit	<u>(1,599,826)</u>	<u>(1,571,473)</u>
13. Financial commitments		
Annual commitment in Operating leases	Land and buildings	
Expiry between:	£	
-one and two years	-	
-two and five years	<u>65,000</u>	
14. 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.		
15. Related party transactions		
a) The effective control of the company is with the directors of the ultimate holding company Alsabahia Incorporated.		
b) The intragroup company transactions for the year ended March 31, 2001 are:		
(i) Commissions received	<u>£68,212</u>	
(ii) Rent paid	<u>£76,500</u>	
(iii) Management charges paid	<u>£96,658</u>	