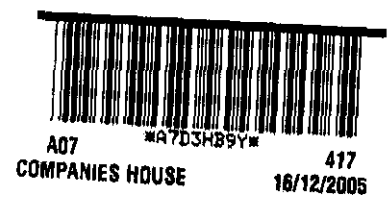


NORMANDIE ESTATES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 March 2005

Company number: 1835708



RAWI & CO
CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS
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 2005

The directors submit their report and the accounts for the year ended 31 March 2005.

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 Profit on ordinary activities for the year before taxation was £127,199 (2004:£162,008). 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 2005

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 *8 December* 2005 and signed on its behalf.



B.N. Hornby (Mrs.)
Secretary

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF NORMANDIE ESTATES LIMITED

We have audited the accounts of Normandie Estates Limited, for the year ended March 31, 2005 which comprise pages 1 to 6. These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any one other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

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.

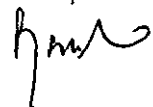
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. 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 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act, 1985.



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

Date:

8 December 2005

NORMANDIE ESTATES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2005

	Note	2005 £	2004 £
Turnover	2	669,256	675,151
Less:			
Administrative expenses		(544,786)	(516,059)
Operating profit	3	124,470	159,092
Interest receivable	5	2,729	2,916
Profit on ordinary activities before taxation		127,199	162,008
Taxation on profit on ordinary activities	6	(6,397)	(12,065)
Profit on ordinary activities after taxation retained for the year		120,802	149,943
Adverse balance brought forward		(1,240,937)	(1,390,880)
Adverse balance carried forward		<u>£(1,120,135)</u>	<u>£(1,240,937)</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 gain 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 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	7	<u>35,122</u>	<u>68,569</u>
CURRENT ASSETS			
Debtors	8	106,801	275,317
Cash at bank and in hand		<u>227,752</u>	<u>191,919</u>
		334,553	467,236
CREDITORS:			
Amounts falling due within one year	9	<u>(360,328)</u>	<u>(326,849)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(25,775)</u>	<u>140,387</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,347</u>	<u>208,956</u>
CREDITORS:			
Amounts falling due after more than one year	10	(1,131,552)	(1,445,987)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	11	2,170	(3,806)
NET LIABILITIES		<u><u>£(1,120,035)</u></u>	<u><u>£(1,240,837)</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account		(1,120,135)	(1,240,937)
EQUITY SHAREHOLDERS DEFICIENCY	13	<u><u>£(1,120,035)</u></u>	<u><u>£(1,240,837)</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 (effective June 2002).

The financial statements were approved by the board on *8 December* 2005 and signed on its behalf by:


N. K. Jaffar Director

(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 2005

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 June 2002).

(b) Going concern

The company meets its day to day working capital requirements through internal funding from its parent undertaking and fellow group 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 2005

1.4 Deferred Taxation

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition in the tax computation.

Assets and liabilities are calculated at the tax rates which are expected to apply in the periods when timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

2. Turnover

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

3. Operating profit

The operating profit is stated after accounting for:

	2005	2004
	£	£
Auditors remuneration	9,000	9,000
Operating lease rentals	91,500	91,500
Depreciation	<u>34,037</u>	<u>34,414</u>

4. Staff costs

	2005	2004
	£	£
Staff costs, were as follows:		
Wages and salaries	134,228	131,959
Social security costs	<u>14,744</u>	<u>12,183</u>
	<u>148,972</u>	<u>144,142</u>

The directors did not receive any remuneration during the year (2004:nil)

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

Office and administration	<u>5</u>	<u>5</u>
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5. Interest

	2005	2004
	£	£
Bank interest receivable	<u>2,729</u>	<u>2,916</u>

6. Taxation

	2005	2004
	£	£
UK corporation tax 30%(2004:30%) on the results for the year	38,160	48,603
Setoff against previous year losses	(31,825)	(37,177)
Effect of:		
Expenses not deductible for tax purposes	62	503
Depreciation charge in excess of Capital allowances for the period	<u>5,976</u>	<u>4,872</u>
	<u>12,373</u>	<u>16,801</u>
Transfer to (from) deferred taxation	<u>(5,976)</u>	<u>(4,736)</u>
	<u><u>6,397</u></u>	<u><u>12,065</u></u>

NORMANDIE ESTATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

7. Tangible fixed assets

**Furniture,
fixtures &
equipment**

Cost :

At 1 April 2004

187,306

Additions

590

At 31 March 2005

187,896

Depreciation:

At 1 April 2004

118,737

Charge for the year

34,037

At 31 March 2005

152,774

Net book value:

At 31 March 2005

35,122

At 31 March 2004

68,569

8. Debtors

2005

2004

£

£

Trade debtors

24,397

52,544

Amounts owed by group undertakings

42,263

142,012

Other debtors and prepayments

40,141

80,761

106,801

275,317

Due after more than one year included above

-

113,035

9. Creditors: amounts falling due within one year

2005

2004

£

£

Trade creditors

939

1,675

Corporation tax

1,546

6,932

Other taxes and social security

3,419

2,457

Other creditors and accruals

354,424

315,785

360,328

326,849

10. Creditors amounts falling due after more than one year

2005

2004

£

£

Amounts owed to group undertakings

1,131,552

1,445,987

NORMANDIE ESTATES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2005

11. Deferred taxation	2005	2004
	£	£
Balance at 1 April 2004	3,806	8,542
Charge for the year	(5,976)	(4,736)
Balance at 31 March 2005	<u>(2,170)</u>	<u>3,806</u>

The provision for deferred taxation is made up of accelerated capital allowances

12. Share capital	£	£
Equity		
Ordinary shares of £1 each		
- Authorised	<u>1,000</u>	<u>1,000</u>
- Allotted, called up and fully paid	<u>100</u>	<u>100</u>

13. Reconciliation of movement in shareholders deficiency	2005	2004
	£	£
Profit/(Loss) for the financial year	120,802	149,943
Opening shareholders' deficit	(1,240,837)	(1,390,780)
Closing shareholders deficit	<u>(1,120,035)</u>	<u>(1,240,837)</u>

14 Financial commitments

The company had annual commitments under irrevocable operating leases set out below as at 31 March 2005.

Operating leases	Land and buildings
	£
Expiry:	
-within one year	11,500
-within two to five years	<u>80,000</u>
	<u>91,500</u>

15 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.

16 Related party transactions

a) The effective control of the company is with the directors of the ultimate holding company Alsabahia Incorporated.

b) The intra group company transactions for the year ended March 31, 2005 are:

(i) Commissions received	<u>£83,042</u>
(ii) Rent paid	<u>£91,500</u>
(iii) Management charges paid	<u>£135,817</u>