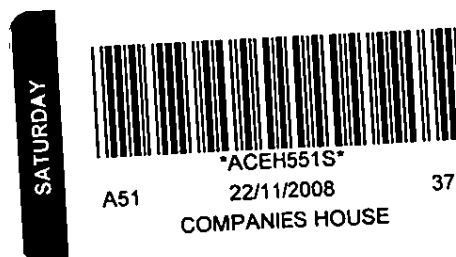


NORMANDIE ESTATES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 March 2008

Company number 1835708

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



NORMANDIE ESTATES LIMITED

Contents

	Page
Company information	
Directors' Report	
Auditors' Report	
Profit and Loss Account	1
Balance Sheet	2
Notes to the Accounts	3 - 6
<i>The following page does not form part of the statutory accounts</i>	
Detailed Profit and Loss Account	7

NORMANDIE ESTATES LIMITED

Company Information

Directors	A Al-Hassawi (Chairman) N K Jaffar
Secretary	Mr D S Zora
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 2008

The directors submit their report and the financial statements for the year ended 31 March 2008

PRINCIPAL ACTIVITIES

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

RISKS AND UNCERTAINTIES

In common with other small property management companies, our business is subject to the following risks -

- the uncertainty of current property and rental market conditions
- competition from other companies

REVIEW OF THE BUSINESS

The Profit on ordinary activities for the year before taxation was £29,214 (2007 £7,619) 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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- state whether applicable UK 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 financial statements 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

NORMANDIE ESTATES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2008

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each director at the date of approval of this report is aware

- there is no relevant audit information of which the company's auditors are unaware, and for the year ended 31 March 2008 the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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

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 *17 November* 2008 and signed on its behalf


Mr D S Zora
Secretary

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF NORMANDIE ESTATES LIMITED**

We have audited the financial statements of Normandie Estates Limited, for the year ended 31 March 2008 which comprise pages 1 to 6. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007), under the historical cost convention.

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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other 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 International Standards on Auditing (UK and Ireland) 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 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 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 financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and the information given in the Directors' Report is consistent with the financial statements.

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

Date *17 November 2008*

NORMANDIE ESTATES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008

		2008	2007
	Note	£	£
Turnover	2	395,151	445,911
Less.			
Administrative expenses		(369,010)	(439,547)
Operating profit	3	<u>26,141</u>	<u>6,364</u>
Interest receivable	5	3,073	1,255
Profit on ordinary activities before taxation		<u>29,214</u>	<u>7,619</u>
Taxation on profit on ordinary activities	6	(2,476)	(8,943)
Profit/(Loss) on ordinary activities after taxation retained for the year		<u>26,738</u>	<u>(1,324)</u>
Adverse balance brought forward		<u>(1,018,777)</u>	<u>(1,017,453)</u>
Adverse balance carried forward		<u>£(992,039)</u>	<u>£(1,018,777)</u>

Note

Continuing operations

Rental income ceased during the year

None of the company's other 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 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	7	<u>1,799</u>	<u>2,508</u>
CURRENT ASSETS			
Debtors	8	58,085	94,775
Cash at bank and in hand		<u>457,991</u>	<u>252,198</u>
		516,076	346,973
CREDITORS:			
Amounts falling due within one year	9	<u>(357,417)</u>	<u>(399,622)</u>
NET CURRENT ASSETS/(LIABILITIES)		158,659	(52,649)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>160,458</u>	<u>(50,141)</u>
CREDITORS:			
Amounts falling due after more than one year	10	(1,152,582)	(968,749)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	11	185	213
NET LIABILITIES		<u><u>£(991,939)</u></u>	<u><u>£(1,018,677)</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and loss account		(992,039)	(1,018,777)
EQUITY SHAREHOLDERS DEFICIENCY	13	<u><u>£(991,939)</u></u>	<u><u>£(1,018,677)</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 January 2007)

The financial statements were approved by the board on *17 November* 2008 and signed on its behalf by


N. K. Gaffar 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 2008

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 Standard for Smaller Entities (effective January 2007)

(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

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 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 2008

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

	2008	2007
	£	£
Auditors remuneration	7,300	9,000
Operating lease rentals	14,955	72,230
Depreciation	<u>709</u>	<u>1,117</u>

4. Staff costs

	2008	2007
	£	£
Staff costs, were as follows		
Wages and salaries	153,752	147,030
Social security costs	<u>14,820</u>	<u>16,986</u>
	<u>168,572</u>	<u>164,016</u>

The directors did not receive any remuneration during the year (2007 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

	2008	2007
	£	£
Bank interest receivable	<u>3,073</u>	<u>1,255</u>

6. Taxation

	2008	2007
	£	£
UK corporation tax 30% (2007 30%) on the results for the year	8,764	2,286
Setoff against group losses	-	6,627

Effect of

Expenses/(Gain) not deductible for tax purposes	51	(569)
Depreciation charge in excess of Capital allowances for the period	<u>(29)</u>	<u>(8,344)</u>
	8,786	0
Deferred tax	28	8,943
Overprovision	<u>(6,338)</u>	-
	<u>2,476</u>	<u>8,943</u>

NORMANDIE ESTATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

7 Tangible fixed assets	Furniture, fixtures & equipment	
Cost :	£	
At 1 April 2007	15,782	
Additions	-	
At 31 March 2008	15,782	
Depreciation.		
At 1 April 2007	13,274	
Charge for the year	709	
At 31 March 2008	13,983	
Net book value		
At 31 March 2008	1,799	
At 31 March 2007	2,508	
8. Debtors	2008	2007
	£	£
Trade debtors	15,580	28,520
Amounts owed by group undertakings	33,136	44,263
Other debtors and prepayments	9,369	21,992
	58,085	94,775
9. Creditors' amounts falling due within one year	2008	2007
	£	£
Trade creditors	151	1,825
Other taxes and social security	6,906	4,531
Corporation tax	4,786	-
Other creditors and accruals	345,574	393,266
	357,417	399,622
10 Creditors amounts falling due after more than one year	2008	2007
	£	£
Amounts owed to group undertakings	1,152,582	968,749

NORMANDIE ESTATES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

11. Deferred taxation	2008	2007
	£	£
Balance at 1 April 2007	(213)	(9,156)
Adjustment for the year	28	8,943
Balance at 31 March 2008	<u>(185)</u>	<u>(213)</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	2008	2007
	£	£
Profit/(Loss) for the financial year	26,738	(1,324)
Opening shareholders' deficit	<u>(1,018,677)</u>	<u>(1,017,353)</u>
Closing shareholders deficit	<u>(991,939)</u>	<u>(1,018,677)</u>

14 Financial commitments

The company had annual commitments under irrevocable operating leases set out below as at 31 March 2008

Operating leases	Land and buildings
Expiry	£
-within one year	14,955
-within two to five years	-
	<u>14,955</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, 2008 are

(i) Commissions received	<u>£58,602</u>
(ii) Rent paid	<u>£11,500</u>
(iii) Management charges paid	<u>£104,572</u>

NORMANDIE ESTATES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2008

	2008	2007
	£	£
INCOME		
Rental income	-	96,230
Commission receivable	395,151	349,681
Interest receivable	3,073	1,255
	<u>398,224</u>	<u>447,166</u>
ADMINISTRATIVE EXPENSES		
Staff salaries and social security costs	168,572	164,016
Rent and rates	34,040	81,565
Insurance	2,348	2,243
Light and heat	2,053	7,464
Laundry and cleaning	3,049	1,658
Advertising	2,058	4,263
Repairs and maintenance	7,293	12,627
Motor and Travelling	7,820	9,415
Printing, postage and stationary	3,743	3,652
Publication and subscription	770	517
Telephone and fax	5,981	7,195
Legal and professional	150	-
Audit and accountancy	7,300	9,000
Bank interest and charges	328	720
Management charge	104,572	113,455
Office expenses	1,101	1,302
Equipment rental	2,268	2,268
Commission payable	14,722	18,937
TV rentals and licence	133	129
Depreciation	709	1,117
(Profit) on sale of fixed assets	-	(1,996)
	<u>369,010</u>	<u>439,547</u>
Profit on ordinary activities before taxation	<u>29,214</u>	<u>7,619</u>