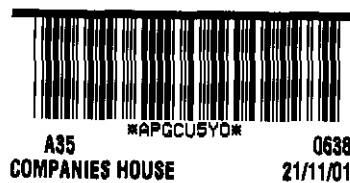


Registered Number: 3698310

**REGISTRAR'S
COPY**

CONDOR PROPERTIES (UK) LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2001



Condor Properties (UK) Limited**Director**

N V Bhoja

Secretary and Registered Office

I Bhoja
Condor House
700 Great Cambridge Road
Enfield
Middlesex EN1 3EA

Auditors

Moore Stephens
Chartered Accountants
57 London Road
Enfield, Middlesex, EN2 6SW

Report of the Director

The director presents his report and the audited financial statements for the period ended 31 March 2001.

Review of Activities

The company commenced trading as a property investment company on 3 November 2000.

Director's Interests

The director had no interest in the share capital of the company during the year.

Auditors

The auditors, Moore Stephens, have expressed their willingness to continue in office. A resolution for their re-appointment and authorising the directors to fix their remuneration will be proposed at the forthcoming annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board

X *I. Bhoja*

I Bhoja
Secretary

X

16 NOVEMBER 2001

Condor Properties (UK) Limited

Statement of 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.

Condor Properties (UK) Limited**Auditors' Report to the Shareholders of Condor Properties (UK) Limited**

We have audited the financial statements on pages 4 to 8 which 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 on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 2 the company's directors are 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 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 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 March 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

57 London Road
Enfield, Middlesex, EN2 6SW



MOORE STEPHENS
Registered Auditor &
Chartered Accountants

16 NOVEMBER 2001

Condor Properties (UK) Limited

Profit and Loss Account for the Period Ended 31 March 2001

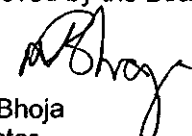
	Note	2001 £	2000 £
Turnover		108,275	-
Administrative Expenses		(144,886)	-
Operating Loss		(36,611)	-
Investment Income		2,401	-
Interest Payable and Similar Charges		(60,276)	-
Loss on Ordinary Activities Before Taxation		(94,486)	-
Taxation		(18,000)	-
Loss on Ordinary Activities After Taxation		(112,486)	-

Condor Properties (UK) Limited**Balance Sheet at 31 March 2001**

	Note	£	2001 £	£	2000 £
Fixed Assets					
Tangible Assets	3		2,690,153		-
Current Assets					
Debtors	4	158,055		-	
Cash at Bank and in Hand		86		2	
			<u>158,141</u>	<u>2</u>	
Creditors: Amounts Falling Due Within One Year	5	339,780		-	
Net Current Liabilities/Assets			<u>(181,639)</u>		<u>2</u>
Total Assets Less Current Liabilities			<u>2,508,514</u>		<u>2</u>
Creditors: Amounts Falling Due After More Than One Year	6		(1,903,000)		-
Provisions for Liabilities and Charges	7		(18,000)		-
			<u>£587,514</u>		<u>£2</u>
Capital and Reserves					
Called Up Share Capital	8		700,000		2
Profit and Loss Account	9		(112,486)		-
			<u>£587,514</u>		<u>£2</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

Approved by the Board on 16 NOVEMBER 2001

X 
N V Bhoja
Director

X

Condor Properties (UK) Limited**Notes to the Financial Statements for the Period Ended 31 March 2001****1 Accounting Policies****Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective March 2000).

Turnover

Turnover represents rental amounts invoiced during the year, net of Value Added Tax.

Investment Properties

Investment properties are revalued annually and included in the balance sheet at their open market value.

In accordance with the Financial Reporting Standard for Smaller Entities (Effective March 2000), no depreciation is provided in respect of investment properties. This represents a departure from the Companies Act 1985 requirements in respect of the depreciation of fixed assets. The directors consider that this departure is necessary in order that the financial statements give a true and fair view of the state of affairs of the company.

Deferred Taxation

Deferred taxation is provided for at anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods that differ from those in which they are included in the financial statements.

Deferred tax assets and liabilities are recorded only where it is expected that an asset or liability will crystallise in the foreseeable future.

2 Director's Emoluments

The director did not receive any emoluments during the year.

Condor Properties (UK) Limited

Notes to the Financial Statements for the Period Ended 31 March 2001

continued

3 Tangible Fixed Assets

	Investment Properties £
Cost	
Additions and as at 31 March 2001	<u>2,690,153</u>
Net Book Value	
At 31 March 2001	<u>£2,690,153</u>

4 Debtors

	2001 £	2000 £
Group Balances	49,780	-
Other Debtors	108,275	-
	<u>£158,055</u>	<u>-</u>

5 Creditors: Amounts Falling Due Within One Year

	2001 £	2000 £
Bank Loans and Overdrafts	85,000	-
Amounts Owed to Group Undertakings	228,235	-
Other Creditors	26,545	-
	<u>£339,780</u>	<u>-</u>

Included within creditors are liabilities of £1,988,000 (2000 £0) which have been secured on the assets of the company.

6 Creditors: Amounts Falling Due After More Than One Year

	2001 £	2000 £
Bank Loans and Overdrafts	<u>1,903,000</u>	<u>-</u>

Included within creditors are liabilities of £1,430,500 (2000 £0) which are due after more than five years.

Condor Properties (UK) Limited

Notes to the Financial Statements for the Period Ended 31 March 2001

continued

7 Provisions for Liabilities and Charges

Deferred tax provided in the accounts, and the maximum potential liability, are:

	2001 £	2000 £
Accelerated Capital Allowances	<u>18,000</u>	<u>-</u>

The movement in the deferred tax provision during the year was as follows:

Movement in the Year	<u>£ 18,000</u>
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8 Share Capital

	2001 £	2000 £
Authorised		
1,000,000 Ordinary Shares of £1 each	<u>1,000,000</u>	<u>1,000</u>

	2001 £	2000 £
Allotted, Called Up and Fully Paid		
700,000 Ordinary Shares of £1 each	<u>700,000</u>	<u>2</u>

9 Reserves

	Profit and Loss Account £
Retained for the period	<u>(112,486)</u>

10 Related Parties

The parent company is N B (London) Limited. The ultimate controlling party is N V Bhoja.

During the year N B (London) Limited paid £700,000, on behalf of the company, to acquire a property included within fixed assets. This loan was cleared by the issue of 700,000 £1 ordinary shares as noted above.

Management fees of £25,000 were paid to NB (London) Limited.