

REGISTRAR'S COPY

**CONDOR PROPERTIES (UK) LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**



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 year ended 31 March 2002.

Review of Activities

The company's principal activity during the year continued to be that of a property investment company.

Director's Interests

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

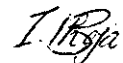
The director is also a director of the company's parent undertaking, N.B. (London) Limited, and his interests in that company have been disclosed in its financial statements.

Auditors

The auditors, Moore Stephens, have expressed their willingness to continue in office. A resolution for their re-appointment and authorising the director 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



I Bhoja
Secretary

16 JAN 2003

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

We have audited the financial statements of Condor Properties (UK) Limited for the year ended 31 March 2002 set out on pages 4 to 8. These financial statements 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 in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Director's Report is not consistent with the financial statements, 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

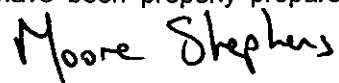
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the director 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 2002 and of its profit for the year 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

18 JAN 2003

Condor Properties (UK) Limited

Profit and Loss Account for the Year Ended 31 March 2002

	Note	2002 £	2001 £
Turnover		243,621	108,275
Administrative Expenses		(42,606)	(144,886)
Operating Profit/Loss		<u>201,015</u>	<u>(36,611)</u>
Investment Income		-	2,401
Interest Payable and Similar Charges		(119,763)	(60,276)
Profit/Loss on Ordinary Activities Before Taxation		<u>81,252</u>	<u>(94,486)</u>
Taxation		(39,000)	(18,000)
Profit/Loss on Ordinary Activities After Taxation		<u><u>42,252</u></u>	<u><u>(112,486)</u></u>

Condor Properties (UK) Limited

Balance Sheet at 31 March 2002

	Note	2002 £	2001 £
Fixed Assets			
Tangible Assets	3	2,690,153	2,690,153
Current Assets			
Debtors	4	191,187	158,055
Cash at Bank and in Hand		1,416	86
		<u>192,603</u>	<u>158,141</u>
Creditors: Amounts Falling Due Within One Year	5	392,990	339,780
Net Current Liabilities		<u>(200,387)</u>	<u>(181,639)</u>
Total Assets Less Current Liabilities		<u>2,489,766</u>	<u>2,508,514</u>
Creditors: Amounts Falling Due After More Than One Year	6	(1,803,000)	(1,903,000)
Provisions for Liabilities and Charges	7	(57,000)	(18,000)
		<u>£629,766</u>	<u>£587,514</u>
Capital and Reserves			
Called Up Share Capital	8	700,000	700,000
Profit and Loss Account	9	(70,234)	(112,486)
		<u>£629,766</u>	<u>£587,514</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 JAN 2003

N V Bhoja
Director

Condor Properties (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2002

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 rentals 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 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.

2 Director's Emoluments

The director did not receive any emoluments during the year.

3 Tangible Fixed Assets

	Investment Properties £
Cost and Net Book Value	
At 1 April 2001 and 31 March 2002	<u>2,690,153</u>

4 Debtors

	2002 £	2001 £
Group Balances	89,781	49,780
Other Debtors	101,406	108,275
	<u>£191,187</u>	<u>£158,055</u>

Condor Properties (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2002

continued

5 Creditors: Amounts Falling Due Within One Year

	2002 £	2001 £
Bank Loans and Overdrafts	100,000	85,000
Amounts Owed to Group Undertakings	272,990	228,235
Other Creditors	20,000	26,545
	<u>£392,990</u>	<u>£339,780</u>

Included within creditors are liabilities of £1,903,000 (2001: £1,988,000) which are secured on the assets of the company.

6 Creditors: Amounts Falling Due After More Than One Year

	2002 £	2001 £
Bank Loans and Overdrafts	<u>1,803,000</u>	<u>1,903,000</u>

Included within creditors are liabilities of £1,238,000 (2001: £1,430,500) which are due after more than five years.

7 Provisions for Liabilities and Charges

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

	2002 £	2001 £
Accelerated Capital Allowances	<u>57,000</u>	<u>18,000</u>

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

	£
At 1 April 2001	18,000
Movement in the Year	<u>39,000</u>
At 31 March 2002	<u>£57,000</u>

8 Share Capital

	2002 £	2001 £
Authorised		
1,000,000 Ordinary Shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
	2002 £	2001 £
Allotted, Called Up and Fully Paid		
700,000 Ordinary Shares of £1 each	<u>700,000</u>	<u>700,000</u>

Condor Properties (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2002

continued

9 Reserves

	Profit and Loss Account £
At 1 April 2001	(112,486)
Retained for the year	<u>42,252</u>
At 31 March 2002	<u><u>(£70,234)</u></u>

10 Related Parties

The company's parent undertaking is N.B. (London) Limited. The company's ultimate controlling party is N V Bhoja, director.

During the year, management fees of £nil (2001: £25,000) were paid to its parent undertaking N.B. (London) Limited. At the year end the company was owed £89,781 (2001: £49,781) by N.B. (London) Limited.

At 31 March 2002 an amount of £272,990 (2001: £228,235) was owed to Condor Group Limited, a fellow subsidiary.