

**REGISTRAR'S
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Registered Number: 3698310

CONDOR PROPERTIES (UK) LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2004



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 30 September 2004.

Review of Activities

The company's principal activity during the period 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 period.

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

7 July 2005

Condor Properties (UK) Limited

Statement of Director's Responsibilities

Company law requires the director to prepare financial statements 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 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 period ended 30 September 2004 set out on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (Effective June 2002), under the historical cost convention (or valuation) and the accounting policies set out on page 7.

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 anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions 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 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 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 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 30 September 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

57 London Road
Enfield
Middlesex, EN2 6SW

7 July 2005

Moore Stephens
MOORE STEPHENS
Registered Auditors &
Chartered Accountants

Condor Properties (UK) Limited

Profit and Loss Account for the Period Ended 30 September 2004

		18 Months 2004 £	12 Months 2003 £
Turnover		365,431	243,620
Administrative Expenses		(28,314)	(7,455)
Operating Profit	2	337,117	236,165
Investment Income		10,197	1,167
Interest Payable and Similar Charges		(154,691)	(105,487)
Profit on Ordinary Activities Before Taxation		192,623	131,845
Taxation	4	(27,519)	(28,000)
Profit on Ordinary Activities After Taxation		<u>165,104</u>	<u>103,845</u>

Condor Properties (UK) Limited**Statement of Total Recognised Gains and Losses for the Period Ended 30 September 2004**

	Note	2004 £	2003 £
Retained Profit for the period		165,104	103,845
Revaluation for the period		1,519,847	-
Total Recognised Gains and Losses Relating to the period		<u>£1,684,951</u>	<u>£103,845</u>

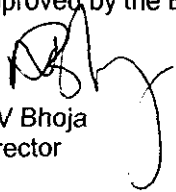
Condor Properties (UK) Limited

Balance Sheet at 30 September 2004

		30 September 2004		31 March 2003	
		£	£	£	£
Fixed Assets					
Tangible Assets	5		4,400,000		2,690,153
Current Assets					
Debtors	6	33,709		160,992	
Cash at Bank and in Hand		620,010		116,490	
		653,719		277,482	
Creditors: Amounts Falling Due Within One Year	7				
		1,012,696		451,024	
Net Current Liabilities			(358,977)		(173,542)
Total Assets Less Current Liabilities					
			4,041,023		2,516,611
Creditors: Amounts Falling Due After More Than One Year	8	(1,510,500)		(1,698,000)	
Provisions for Liabilities and Charges	9	(111,961)		(85,000)	
		£2,418,562		£733,611	
Capital and Reserves					
Called Up Share Capital	10	700,000		700,000	
Revaluation Reserve	11	1,519,847		-	
Profit and Loss Account	11	198,715		33,611	
		£2,418,562		£733,611	

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 7 July 2005


N V Bhoja
Director

Condor Properties (UK) Limited

Notes to the Financial Statements for the Period Ended 30 September 2004

1 Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents rentals invoiced during the period, 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 June 2002), 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 Tax

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 Operating Profit

	2004 £	2003 £
Operating profit is stated after charging:		
Auditors' Remuneration	<u>3,000</u>	<u>3,250</u>

3 Director's Emoluments

The director did not receive any emoluments during the period.

4 Taxation

	2004 £	2003 £
UK Corporation Tax - Current Year	558	-
Deferred Taxation	<u>26,961</u>	<u>28,000</u>
	<u>£27,519</u>	<u>£28,000</u>

Condor Properties (UK) Limited

Notes to the Financial Statements for the Period Ended 30 September 2004

continued

5 Tangible Fixed Assets

	Investment Properties £
Cost and Net Book Value (or valuation)	
At 1 April 2003	2,690,153
Additions	190,000
Revaluation	1,519,847
At 30 September 2004	<u>4,400,000</u>

The investment properties have been revalued based on a valuation carried out by the director at the year end. The historical cost of the properties at the year end was £2,880,153 (2003: £2,690,153).

The amount of unprovided deferred tax on the revalued assets is £288,771 (2003: £nil).

6 Debtors

	2004 £	2003 £
Group Balances	-	86,665
Other Debtors	33,709	74,327
	<u>£33,709</u>	<u>£160,992</u>

7 Creditors: Amounts Falling Due Within One Year

	2004 £	2003 £
Bank Loans and Overdrafts	827,500	105,000
Amounts Owed to Group Undertakings	-	319,314
Other Creditors	185,196	26,710
	<u>£1,012,696</u>	<u>£451,024</u>

Included within creditors are liabilities of £2,338,000 (2003: £1,803,000) which are secured on the assets of the company.

8 Creditors: Amounts Falling Due After More Than One Year

	2004 £	2003 £
Bank Loans and Overdrafts	<u>1,510,500</u>	<u>1,698,000</u>

Included within creditors are liabilities of £690,500 (2003: £1,035,500) which are due after more than five years.

The company has two loans outstanding at the year end. The first is repayable over ten years and bears interest at the Libor rate. The second loan is repayable upon demand and bears interest at 2% above the Barclays Base Rate.

Condor Properties (UK) Limited

Notes to the Financial Statements for the Period Ended 30 September 2004

continued

9 Provisions for Liabilities and Charges

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

	2004 £	2003 £
Accelerated Capital Allowances	<u>111,961</u>	<u>85,000</u>

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

	£
At 1 April 2003	85,000
Movement in the period	<u>26,961</u>
At 30 September 2004	<u>£111,961</u>

10 Share Capital

	2004 £	2003 £
Authorised		
1,000,000 Ordinary Shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
	2004 £	2003 £
Allotted, Called Up and Fully Paid		
700,000 Ordinary Shares of £1 each	<u>700,000</u>	<u>700,000</u>

11 Reserves

	Revaluation Reserve £	Profit and Loss Account £	Total £
At 1 April 2003	-	33,611	33,611
Revaluation	1,519,847	-	1,519,847
Retained for the period	-	165,104	165,104
At 30 September 2004	<u>£1,519,847</u>	<u>£198,715</u>	<u>£1,718,562</u>

Condor Properties (UK) Limited**Notes to the Financial Statements for the Period Ended 30 September 2004**

continued

12 Related Parties

Up until 31 March 2004 the company's parent undertaking was N.B (London) Limited and the company's ultimate controlling party was N V Bhoja, director. Following a group reorganisation carried out on that date however the company's parent undertaking is now Ferncrest Limited and its ultimate controlling party is S Patel.

During the period the property owned by N.B (London) Limited was transferred to the company at a value of £190,000 together with a bank loan of £700,000. Following net cash movements of £349,206 and the set off of various intercompany balances the balance with N.B (London) Limited was cleared.

During the period net expenses of £2,171 (2003: £nil) were paid on behalf of Condor Group Limited, a company in which N V Bhoja, director, is also a director. Following net cash movements of £70,069 and the set off of various intercompany balances an amount of £139,751 (2003: £319,314) is owed to Condor Group Limited and is included within other creditors.