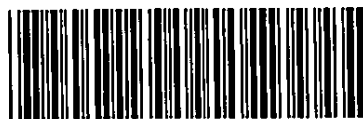


**THE ALMANZORA GROUP LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**31 MARCH 2011**

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**THE ALMANZORA GROUP LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 MARCH 2011**

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The directors present their report and the financial statements for the year ended 31 March 2011

**PRINCIPAL ACTIVITY**

The principal activity of the company is the marketing and sales as commission agents of property

**RESULTS**

The results for the year are detailed in the profit and loss account on page 6. The directors do not recommend the payment of a dividend. The company has continued with its principal activities in the period after 31 March 2010 and the directors have addressed the significant risks facing the business.

**DIRECTORS**

The following have served as directors throughout the year

S R Hitchins  
J R Hitchins  
J C Hitchins  
A Underhill  
P J Goodhall

None of the directors had any interest in the share capital of the company

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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.

Under company law the directors must not approve the financial statements unless they are satisfied that they 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,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

**THE ALMANZORA GROUP LIMITED**  
**DIRECTORS' REPORT (Continued)**  
**YEAR ENDED 31 MARCH 2011**

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**AUDIT**

In the case of each of the persons who are directors at the time this report is approved

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

**AUDITORS**

The auditors, Crowe Clark Whitehill LLP, are deemed to be reappointed in accordance with section 485 of the Companies Act 2006 by virtue of an elective resolution passed by the members

By Order of the Board



Director JC Hitchings

16 December 2011

COMPANY NUMBER 1800291

# **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE ALMANZORA GROUP LIMITED**

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We have audited the financial statements of The Almanzora Group Limited for the year ended 31 March 2011, which comprise the Profit and Loss Account, the Balance Sheet and the related notes numbered 1 to 12

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE ALMANZORA GROUP LIMITED

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### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Matthew Stallabrass  
Senior Statutory Auditor  
For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
10 Salisbury Square, London

19 Dec 2011

**THE ALMANZORA GROUP LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2011**

	Notes	2011 £	2010 £
<b>TURNOVER</b>	1(b)	<b>107,079</b>	60,333
Cost of Sales		<u><b>169,235</b></u>	<u>227,136</u>
<b>GROSS LOSS</b>		<b>(62,156)</b>	(166,803)
Administrative expenses		<u><b>109,696</b></u>	<u>140,123</u>
<b>OPERATING LOSS</b>		<b>(171,852)</b>	(306,926)
Interest receivable		<b>282,065</b>	272,490
Interest payable		<u>-</u>	<u>(238)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	2	<b>110,213</b>	(34,674)
Tax on profit on ordinary activities	4	<u><b>(18,037)</b></u>	<u>18,721</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>92,176</b>	(15,953)
<b>(DEFICIT) BROUGHT FORWARD</b>		<u><b>(196,339)</b></u>	<u>(180,386)</u>
<b>(DEFICIT) CARRIED FORWARD</b>		<u><b>(104,163)</b></u>	<u>(196,339)</u>

The profit and loss account contains all the gains and losses recognised in the current and preceding year and the profit for the financial year is the only movement on shareholders' funds during those years

The related notes 1 to 12 form  
an integral part of these financial statements.

**THE ALMANZORA GROUP LIMITED**  
**BALANCE SHEET**  
**31 MARCH 2011**

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	5	925	2,170
Investment in group undertaking	6	<u>829,500</u>	<u>829,500</u>
		<u>830,425</u>	<u>831,670</u>
<b>CURRENT ASSETS</b>			
Debtors	7	7,248,142	6,731,235
Cash at bank and in hand		<u>1,089</u>	<u>1,088</u>
		<u>7,249,231</u>	<u>6,732,323</u>
<b>CREDITORS</b> , amounts falling due within one year	8	<u>3,158,528</u>	<u>2,733,505</u>
<b>NET CURRENT ASSETS</b>		<u>4,090,703</u>	<u>3,998,818</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,921,128</u>	<u>4,830,488</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	9	<u>25,291</u>	<u>26,827</u>
<b>NET ASSETS</b>		<u>4,895,837</u>	<u>4,803,661</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	10	5,000,000	5,000,000
Profit and loss account		<u>(104,163)</u>	<u>(196,339)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>4,895,837</u>	<u>4,803,661</u>

Approved and authorised for issue by the Board on 16 December 2011  
and signed on its behalf by



Director  
J C Hitchins

The related notes 1 to 12 form  
an integral part of these financial statements.

**THE ALMANZORA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2011**

**1. ACCOUNTING POLICIES**

**a) Basis of Accounting**

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

In preparing these accounts the directors have considered the resources available to the company and its immediate parent and trading for the next twelve months. On the basis of this review the directors consider it appropriate to continue to adopt the going concern basis

**b) Turnover**

Turnover represents commission income earned during the year and sales of land, net of VAT

**c) Tangible Fixed Assets**

Tangible fixed assets are depreciated over their anticipated useful lives on a straight line basis at the following rates

Fixtures, fittings and office equipment	- 25% per annum
Motor vehicles	- 25% per annum

**(d) Deferred Taxation**

Full provision is made, at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on the tax rates and laws that have been enacted or substantially enacted at the balance sheet date, in respect of timing differences which have arisen but not reversed at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the accounts. Deferred tax is measured on a non-discounted basis

**(e) Pension Costs**

Pension costs are charged to the profit and loss account to spread the costs over the average remaining service lives of employees. The pension scheme is a multi-employer defined benefit scheme and the company is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation of the scheme was carried out as at 1 June 2006, and updated to 31 March 2010. FRS 17 disclosure for the Group Pension Scheme is provided in the accounts of the immediate parent undertaking and shows a deficit in the scheme as at 31 March 2011 of £483,000 (2010 deficit £178,000)

**(f) Foreign currencies**

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. There are no monetary assets or liabilities denominated in foreign currencies at the balance sheet date

**2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2011	2010
	£	£
<b>This is arrived at after charging:</b>		
Auditor's remuneration	4,750	4,500
Directors' remuneration		
- Emoluments	17,115	16,772
- Pensions costs	1,095	4,287
Depreciation	1,245	1,937
	<hr/>	<hr/>
<b>and after crediting:</b>		
Interest receivable from associated undertaking	282,065	272,490
	<hr/>	<hr/>



**THE ALMANZORA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**31 MARCH 2011**

**3. EMPLOYEE INFORMATION**

**a) Staff Costs and Numbers**

The average number of persons (including directors) employed by the company during the year was 3 (2010 – 5), employed in sales, marketing and administration

	2011	2010
	£	£
Gross salaries	20,917	14,592
Social security costs	2,493	2,180
Pension costs	1,725	7,923
	<u>25,135</u>	<u>24,695</u>

**b) Directors**

The number of directors accruing benefits under pension schemes are as follows

	No.	No
	1	1
Defined contribution pension schemes	<u>1</u>	<u>1</u>

**c)** Employees are members of The Robert Hitchins Group Pension Scheme, a multi-employer defined benefit scheme. Contributions to the scheme are determined by qualified actuaries on the basis of financial valuations. The last actuarial valuation was carried out at 1 June 2006. Further details of the scheme are set out in the financial statements of The Robert Hitchins Group Limited.

**d)** Some of the directors are members of The Robert Hitchins Group Executive Pension Scheme, a defined contribution scheme.

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2011	2010
	£	£
Corporation tax at 28%	-	-
Compensation for losses surrendered to/(by) group companies	19,573	(19,944)
Prior year credit	-	649
Deferred taxation (note 9)	(1,536)	574
	<u>18,037</u>	<u>(18,721)</u>

**Factors affecting the tax charge**

Profit/(loss) on ordinary activities before taxation	110,213	(34,674)
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Profit on ordinary activities before taxation multiplied by the full rate of corporation tax of 28%	30,860	(9,709)
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**Effects of**

Expenses not deductible for taxation purposes	-	78
Transfer pricing adjustment	(10,876)	(9,626)
Non taxable income	-	-
Group relief surrendered	(19,573)	19,944
Capital allowances in excess of depreciation	(411)	(407)
Other	-	(280)

Current tax charge	<u>-</u>	<u>-</u>
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**THE ALMANZORA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**31 MARCH 2011**

**5. TANGIBLE FIXED ASSETS**

	Total £	Fixtures, Fittings and Office Equipment £	Motor Vehicles £
Cost			
At 1 April 2010	<u>55,793</u>	<u>38,086</u>	<u>17,707</u>
<b>At 31 March 2011</b>	<b><u>55,793</u></b>	<b><u>38,086</u></b>	<b><u>17,707</u></b>
Depreciation			
At 1 April 2010	53,623	35,918	17,705
Charge for the year	<u>1,245</u>	<u>1,245</u>	<u>-</u>
<b>At 31 March 2011</b>	<b><u>54,868</u></b>	<b><u>37,163</u></b>	<b><u>17,705</u></b>
<b>Net Book values</b>			
<b>31 March 2011</b>	<b><u>925</u></b>	<b><u>923</u></b>	<b><u>2</u></b>
<i>31 March 2010</i>	<u>2,170</u>	<u>2,168</u>	<u>2</u>

**6. INVESTMENTS**

The company owns 2.61% of the share capital of Bahia del Almanzora SL

**7. DEBTORS**

	2011 £	2010 £
Other debtors	2,847,772	2,565,513
Amounts owed by group undertakings	22,545	-
Amounts owed by related undertakings	<u>4,377,825</u>	<u>4,165,722</u>
	<b><u>7,248,142</u></b>	<b><u>6,731,235</u></b>

**8. CREDITORS**

amounts falling due within one year	2011 £	2010 £
Bank overdraft	2,296,556	1,907,492
Trade creditors	(50)	4,412
Amount owed to group undertakings	854,072	801,841
Corporation tax	(577)	(577)
Other creditors and accruals	-	11,877
Taxation and social security	<u>8,527</u>	<u>8,460</u>
	<b><u>3,158,528</u></b>	<b><u>2,733,505</u></b>

**THE ALMANZORA GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**31 MARCH 2011**

<b>9. PROVISION FOR LIABILITIES AND CHARGES</b>	<b>2011</b>
	<b>£</b>
Deferred taxation	
At 1 April 2010	26,827
Credited to the profit and loss account (note 4)	<u>(1,536)</u>
<b>At 31 March 2011</b>	<b><u>25,291</u></b>

Timing differences arise from

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b>(2,581)</b>	<b>(3,190)</b>
Short term timing differences (loan)Interest	<u><b>27,872</b></u>	<u><b>30,017</b></u>
	<u><b>25,291</b></u>	<u><b>26,827</b></u>

<b>10. EQUITY SHARE CAPITAL</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Authorised, allotted, called up and fully paid		
5,000,000 Ordinary shares of £1 each	<u><b>5,000,000</b></u>	<u><b>5,000,000</b></u>

**11. ULTIMATE PARENT UNDERTAKING**

The company's ultimate parent undertaking is Bay Group Limited, a company incorporated in Bermuda

**12. RELATED PARTY TRANSACTIONS**

The company transacts business with its immediate parent company The Robert Hitchins Group Limited ("RHG") and its other subsidiary undertakings. These transactions are not disclosed as they are eliminated in the consolidated financial statements of (RHG), available from the Registrar of Companies, Cardiff

During the year the company earned commission of £106,611 (2010 £66,738) from Desert Springs SL, £ nil (2010 £799) from Villaricos SL, £ nil (2010 £1,388) from Bahia Del Almanzora SL and £468 from Playas del Almanzora SL (2010 £408) which are all related undertakings. Interest of £282,065 (2010 £272,490) was accrued on the amounts outstanding from these undertakings. The amount outstanding at 31 March 2011 amounted to £3,875,082 (2010 £3,877,270) and interest receivable was £2,841,222 (2010 £2,559,157)

The company's cash is subject to set off arrangements and cross guarantees with fellow group companies