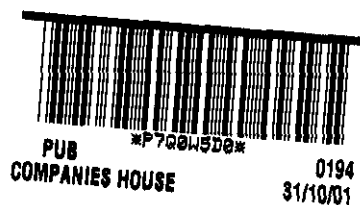


Charles Grimsey Associates Ltd

Annual Report and Financial Statements For The Year 31 December 2000

(Registered Number: 01893401)



Charles Grimsey Associates Ltd

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Charles Grimsey Associates Ltd

Officers and Professional Advisers

Directors

C H Roberts-Grimsey

D J Rowe

A Perrin (resigned 28 November 2000)

D O Maloney (appointed 12 February 2001)

K C Ivie (appointed 24 April 2001)

Secretary

A Russell

Registered Office

Ground Floor

Greater London House

Hampstead Road

London

NW1 7SD

Bankers

Barclays Bank plc

PO Box 112

Horsham

West Sussex

RH12 1ZQ

Solicitors

Allen & Overy

One New Change

London EC4M 9QQ

Auditors

PricewaterhouseCoopers

1 Embankment Place

London WC2N 6RH

Charles Grimsey Associates Ltd

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2000. The comparative period was the fourteen months ended 31 December 1999.

Principal Activities

The principal activity of the company is that of a graphic design and placement of publicity material on behalf of fellow subsidiaries in the Thomson Travel Group plc and other companies.

The Directors do not anticipate any significant changes in the activities of the company in the foreseeable future.

Results And Dividends

The profit after taxation for the period amounted to £151,973 (1999: £ 109,455). No dividends were paid during the year (1999: £Nil), and retained profit of £151,973 (1999: £ 109,455) was transferred to reserves.

Directors And Their Interests

No director, who served during the period and who held office at the end of the financial period, had any interest in the shares or share options of the Company, Thomson Travel Group plc, or Preussag AG at 31 December 2000.

Statement Of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2000 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 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 and other irregularities.

Charles Grimsey Associates Ltd

Directors' Report (continued)

Auditors

PricewaterhouseCoopers have expressed their willingness to be reappointed as auditors.

Approved by the Board of Directors
and signed on behalf of the Board



D J Rowe
Director

30 October 2001

Auditors' Report To The Members of Charles Grimsey Associates Ltd

We have audited the financial statements on pages 6 to 12.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' 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 directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

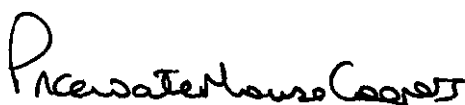
Basis of audit opinion

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 at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
1 Embankment Place
London WC2N 6RH

 October 2001

Charles Grimsey Associates Ltd

Profit And Loss Account For The Year Ended 31 December 2000

	Notes	Year Ended 31 December 2000 £	Period Ended 31 December 1999 £
Turnover	1	1,752,795	1,535,083
Cost of sales		(1,193,782)	(1,098,649)
Gross Profit		559,013	436,434
Administrative expenses		(380,174)	(302,976)
Other operating income		178,839 14,520	133,458 17,677
Operating Profit	2	193,359	151,135
Interest receivable and similar income	4	23,946	8,226
Interest payable and similar charges	5	(200)	(410)
Profit On Ordinary Activities Before Taxation		217,105	158,951
Tax on profit on ordinary activities	6	(65,132)	(49,496)
Profit on ordinary activities After Taxation		151,973	109,455
Retained profit brought forward		302,740	193,285
Retained Profit Carried Forward	12	454,713	302,740

Turnover and operating profit all derive from continuing operations.

These are no recognised gains or losses other than the profit for the financial year.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The notes on page 8 to 12 form an integral part of these financial statements.

Charles Grimsey Associates Ltd

Balance Sheet As At 31 December 2000

	Notes	31 December 2000 £	31 December 1999 £
Fixed Assets			
Tangible assets	7	36,058	32,126
Current Assets			
Stocks	8	3,780	21,422
Debtors	9	297,425	368,758
Cash at bank and in hand		425,087	137,562
		726,292	527,742
Creditors: amounts falling due within one year	10	(307,537)	(257,028)
Net Current Assets		418,755	270,714
Total Assets Less Current Liabilities		454,813	302,840
Net Assets		454,813	302,840
Capital And Reserves			
Called up share capital	11	100	100
Profit and loss account	12	454,713	302,740
Total Equity Shareholder's Funds	15	454,813	302,840

The financial statements on pages 6 to 12 were approved by the Board of Directors on 16 October 2001 and are signed on its behalf by:


D J Rowe
Director

Charles Grimsey Associates Ltd

Notes To The Financial Statements For The Year Ended 31 December 2000

1. Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the most significant accounting policies, which have been applied consistently throughout the financial year, is set out below.

(a) Basis Of Accounting

The financial statements have been prepared in accordance with historical cost convention and on a going concern basis.

(b) Turnover

Turnover is attributable to the principal activity of the Company, arises wholly in the United Kingdom, and is stated net of value added tax and discounts.

(c) Tangible Fixed Assets

Tangible fixed assets comprise office equipment, fixtures and fittings.

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are between 3 and 10 years.

(d) Deferred Taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

(e) Stock

Work in progress represents direct costs of brochures being produced, and is valued at the lower of cost or net realisable value.

(f) Pension Costs

The company makes contributions to a company money purchase scheme on behalf of certain employees. The company is external to Thomson Travel Group plc. The cost of the pension scheme in respect of the accounting period is charged to the profit and loss account as incurred.

(g) Operating Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual instalments over the lease term.

Charles Grimsey Associates Ltd

Notes To The Financial Statements For The Year Ended 31 December 2000 (Continued)

1. Accounting Policies (Continued)

(i) Cash Flow Statement And Related Party Disclosures

The company is a wholly-owned subsidiary of Thomson Travel Group plc and is included in the consolidated financial statements of Thomson Travel Group plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the group or investees of the Thomson Travel Group plc.

2. Operating Profit

	Year ended 31 December 2000 £	Period ended 31 December 1999 £
The operating profit is stated after charging:		
Depreciation of tangible fixed assets	20,584	28,751
Operating lease charges:		
- Hire of plant and machinery	1,623	360
- Land and buildings	47,918	50,367
Auditors' remuneration – audit fees	6,996	8,162

3. Employee Costs and Directors Emoluments

The average monthly number of employees during the period (including directors) was 15 (1999:10). All employees were based in the United Kingdom.

	Year ended 31 December 2000 £	Period ended 31 December 1999 £
Staff costs during the period (including directors)		
Wages and salaries	304,913	245,322
Social security costs	31,388	22,403
Other pension costs	6,794	6,557
	343,095	274,282
Directors' remuneration	£	£
Total directors' emoluments (excluding pension contributions)	59,459	62,665
Company pension contributions to money purchase scheme	6,794	6,557
Remuneration of highest paid director (excluding pension contributions)	59,459	62,665
Contributions to money purchase scheme for highest paid director	6,794	6,557

Charles Grimsey Associates Ltd

Notes To The Financial Statements For The Year Ended 31 December 2000 (Continued)

4. Interest Receivable and Similar Income

	Year ended 31 December 2000 £'000	Period ended 31 December 1999 £'000
Bank interest receivable	23,946	8,226

5. Interest Payable and Similar Charges

	Year ended 31 December 2000 £'000	Period ended 31 December 1999 £'000
Bank loans, overdrafts and other loans	200	410

6. Taxation on profit on ordinary activities

	Year Ended 31 December 2000 £	Period Ended 31 December 1999 £
Tax on profit on ordinary activities comprises:		
UK Corporation Tax at 30% (1999: 30.36%)	65,132	49,496

7. Tangible Fixed Assets

	Fixtures and Fittings £
Cost:	
At 1 January 2000	225,839
Additions	24,516
At 31 December 2000	250,355
Depreciation:	
At 1 January 2000	193,713
Charge for the year	20,584
At 31 December 2000	214,297
Net Book Amount:	
At 31 December 2000	36,058
At 31 December 1999	32,126

Charles Grimsey Associates Ltd

Notes To The Financial Statements For The Year Ended 31 December 2000 (Continued)

8. Stock

	2000 £	1999 £
Work in progress	3,780	21,422

9. Debtors: Amounts Falling Due Within One Year

	2000 £	1999 £
Trade debtors	46,105	54,483
Prepayments	20,443	26,049
Amounts owed by group undertakings	230,877	288,226
	297,425	368,758

10. Creditors: Amounts Falling Due Within One Year

	2000 £	1999 £
Trade creditors	52,762	54,000
Other creditors	20,069	19,929
Taxation and social security	38,688	24,227
Group relief payable	65,132	49,496
Accruals and deferred income	130,886	109,376
	307,537	257,028

11. Called Up Share Capital

	2000 £	1999 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid:		
100 ordinary shares of £1 each	100	100

All classes of ordinary shares are held by the company's immediate parent company, Specialist Holidays Group Limited (formerly Crystal International Travel Group Limited), and have the same voting rights, dividend entitlements and their power to appoint directors.

12. Profit and Loss Account

	2000 £	1999 £
Balance at beginning of the period	302,740	193,285
Retained profit for the period	151,973	109,455
Balance at the end of the period	454,713	302,740

Charles Grimsey Associates Ltd

Notes To The Financial Statements For The Year Ended 31 December 2000 (Continued)

13. Contingent Liabilities

A cross guarantee dated October 1997 exists between the company, Specialist Holidays Limited (previously Crystal Holidays Limited), Specialist Holidays Contracting Limited (previously Crystal Dial Limited), and Specialist Holidays Group Limited (previously Crystal International Travel Group Limited). The bank accounts to which the cross guarantee relates were in surplus as at 31 December 2000 and 31 December 1999.

14. Capital Commitments

a) Capital commitments

There was no capital expenditure contracted but not provided for in the financial statements at 31 December 2000 or 31 December 1999.

b) Operating lease commitments

At 31 December 2000 the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings £
Leases which expire: After five years	45,000

15. Reconciliation Of Movements In Equity Shareholder's Funds

	2000 £	1999 £
Profit for the financial period	151,973	109,455
Opening equity shareholder's funds	302,840	193,385
Closing equity shareholder's funds	454,813	302,840

16. Ultimate Parent Company

Within the meaning of the Companies Act 1985 Preussag AG is regarded by the directors of the company as being the company's ultimate parent company. Within the meaning of the said Act Preussag AG is the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member. Thomson Travel Group plc is the parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the company is a member. Preussag AG is incorporated under the laws of Germany, Thomson Travel Group plc ("TTG") is incorporated in England and Wales.

Copies of Preussag's accounts are available from: Investor Relations, Preussag AG Karl-Wiechert-Allee 4, D-30625 Hanover or on the Preussag website address: www.preussag.de.

Copies of TTG's accounts are available from the Company Secretary, Thomson Travel Group plc, Greater London House, Hampstead Road, London NW1 7SD.