

CHAMBERS TRAVEL MANAGEMENT LIMITED

REPORT AND FINANCIAL STATEMENTS

31st MARCH 2001



Chambers Travel Management Limited

Directors

N.R.I. Foot (Managing)
J.A. Corbisiero
C.A. Thelen

Secretary and Registered Office

A. Kodikara
56-60 Gresham Street, London, EC2V 7BB

Auditors

Moore Stephens
Chartered Accountants
St. Paul's House, Warwick Lane, London, EC4P 4BN

Report of the Directors

The directors present their report and the audited financial statements for the year ended 31st March 2001.

Review of Activities

The principal activity of the company is business travel management. The directors are pleased to report an increase in turnover and profitability. The directors are confident that the investment in staff and marketing resources during the year will be reflected in the future trading performance of the company however the tragic events in New York on 11th September 2001 are likely to result in there being no growth in turnover during the forthcoming year.

Results and Dividends

The profit for the year amounted to £68,825 (2000: £43,210). The directors do not recommend the payment of a dividend.

Fixed Assets

The movements on fixed assets are shown within notes 6, 7 and 8.

Charitable Contributions

During the year the company made charitable contributions of £211 (2000 : £127).

Chambers Travel Management Limited

Report of the Directors (Continued)

Directors' Interests

The interests of the directors, as defined by the Companies Act 1985, in the £1 ordinary shares of the company at the beginning and end of the year were as follows:

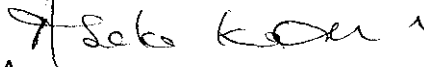
<u>Name</u>	<u>Holding at</u>	
	<u>31.3.01</u>	<u>31.3.00</u>
Mr. N.R.I. Foot	28,000	28,000
Mrs. J.A. Corbisiero	22,122	28,000
Mr. C.A. Thelen	17,611	11,733

Auditors

The auditors, Moore Stephens, are willing to continue in office. A resolution for their reappointment will be proposed at the annual general meeting.

By Order of the Board

A. KODIKARA



Chambers Travel Management Limited

Statement of Director's Responsibilities

Company law requires the directors 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 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 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 presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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.

**Report of the Auditors to the Members of
Chambers Travel Management Limited**

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 3 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 affairs of the company and the group at 31st March 2001 and of its consolidated profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House
London, EC4P 4BN


MOORE STEPHENS
Registered Auditor
Chartered Accountants

26th September 2001

Chambers Travel Management Limited

Consolidated Profit and Loss Account
For the year ended 31st March 2001

	<u>Note</u>	<u>2001</u>	<u>2000</u>
Turnover	1(c)	24,874,128	15,746,853
Cost of sales		<u>(22,606,037)</u>	<u>(14,311,416)</u>
Gross Profit		2,268,091	1,435,437
Administrative expenses		<u>(2,174,635)</u>	<u>(1,372,397)</u>
Operating Profit	2	93,456	63,040
Interest receivable/(payable)	3	<u>7,869</u>	<u>(1,242)</u>
Profit on Ordinary Activities before Taxation		101,325	61,798
Taxation on profit on ordinary activities	5	<u>(32,500)</u>	<u>(18,588)</u>
Profit for the Financial Year	13	<u>£ 68,825</u>	<u>£ 43,210</u>

There were no recognised gains or losses other than as disclosed in the profit and loss account.

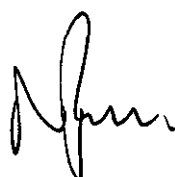
Chambers Travel Management Limited

Balance Sheets at 31st March 2001

	<u>Note</u>	<u>Group 2001</u>	<u>Company 2001</u>	<u>Company 2000</u>
Fixed Assets				
Intangible fixed asset	6	26,625	26,625	35,625
Tangible fixed assets	7	142,699	142,699	66,863
Investments	8	-	30,100	-
		<u>169,324</u>	<u>199,424</u>	<u>102,488</u>
Current Assets				
Called up share capital not paid		-	-	43,998
Debtors, amounts falling due after more than one year	9	29,917	29,917	-
Debtors, amounts falling due within one year	9	1,907,850	1,892,196	1,463,869
Current asset investment		755	755	-
Cash at bank and in hand		97,604	68,869	100,586
		<u>2,036,126</u>	<u>1,991,737</u>	<u>1,608,453</u>
Creditors, amounts falling due within one year	10	<u>(1,803,704)</u>	<u>(1,792,841)</u>	<u>(1,378,020)</u>
Net Current Assets		<u>232,422</u>	<u>198,896</u>	<u>230,433</u>
Total Assets Less Current Liabilities		<u>£ 401,746</u>	<u>£ 398,320</u>	<u>£ 332,921</u>
Capital and Reserves				
Called up share capital	11	67,733	67,733	67,733
Share premium	13	32,265	32,265	32,265
Capital redemption reserve	12	29,000	29,000	29,000
Profit and loss account	13	272,748	269,322	203,923
Equity Shareholders' Funds	14	<u>£ 401,746</u>	<u>£ 398,320</u>	<u>£ 332,921</u>

The financial statements were approved by the Board on 26th September 2001

N.R.I. FOOT Director



Chambers Travel Management Limited

Consolidated Cashflow Statement
For the year ended 31st March 2001

	<u>Note</u>	<u>2001</u>	<u>2000</u>
Cash outflow from operating activities	17	(132,019)	(267,620)
Returns on investments and servicing of finance	18	(9,886)	(1,242)
Taxation		(25,710)	(9,250)
Capital expenditure	18	<u>(111,348)</u>	<u>(12,052)</u>
Cash (outflow) before financing		(278,963)	(290,164)
Financing			
Issue of ordinary share capital		43,998	-
Decrease in cash	19	£ <u>(234,965)</u>	£ <u>(290,164)</u>

Chambers Travel Management Limited**Financial Statements for the year ended 31st March 2001****Notes****1. Principle Accounting Policies****(a) Basis of accounting**

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

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statement of the company and its subsidiary undertaking for the year ended 31st March 2001.

(c) Turnover

Turnover consists primarily of sales of travel tickets, insurance and foreign currency, exclusive of value added tax.

(d) Fixed assets and depreciation

Fixed assets are stated at cost, less accumulated depreciation. Depreciation is provided on a straight line basis to write off the cost of assets over their expected useful lives at the following rates:

Fixtures, fittings and equipment	- 20 - 33 % p.a.
Leasehold property	- Over the term of the lease
Motor vehicles	- 25% p.a.

(e) Deferred taxation

Provision is made for deferred taxation using the liability method on accelerated capital allowances to the extent that a material liability is likely to arise in the foreseeable future.

(f) Pensions

Company contributions to the personal pension schemes of employees are charged to the profit and loss account as incurred. Contributions were made in respect of three directors during the year.

(g) Goodwill

Goodwill on acquisitions is capitalised and amortised over its useful economic life in compliance with FRS10. The useful economic life of additions is considered to be prudently stated at five years.

(h) Foreign currencies

The company holds small foreign currency balances, which are translated at the year-end rate. Any profit or losses are included within the result for the period.

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2001

Notes (Continued)

2. Operating Profit

	<u>2001</u>	<u>2000</u>
	£	£
Operating profit is stated after charging:		
Depreciation and amortisation	44,512	31,296
Auditors' remuneration	12,000	9,000
Directors' emoluments	184,391	152,669
	<u> </u>	<u> </u>

3. Interest Receivable/(Payable)

	<u>2001</u>	<u>2000</u>
Bank interest receivable	7,869	2,435
Bank interest payable	-	(1,164)
Loan interest payable	-	(2,513)
	<u> </u>	<u> </u>
£	£ 7,869	£ (1,242)
	<u> </u>	<u> </u>

4. Directors and Employees

	<u>2001</u>	<u>2000</u>
Directors emoluments comprise:		
Amount paid in respect of qualifying service	173,591	152,669
Contributions to personal pension schemes	10,800	-
	<u> </u>	<u> </u>
£	£ 184,391	£ 152,669
	<u> </u>	<u> </u>

	<u>2001</u>	<u>2000</u>
Staff costs comprise:		
Wages and salaries	1,208,354	788,489
Social security costs	123,371	73,093
Other pension costs	17,322	11,009
	<u> </u>	<u> </u>
£	£ 1,349,047	£ 872,591
	<u> </u>	<u> </u>

The average monthly number of persons, including directors, employed by the group during the year was 50 (2000 - 33).

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2001

Notes (Continued)

5. Taxation on Profit on Ordinary Activities

	<u>2001</u>	<u>2000</u>
United Kingdom corporation tax based on the results for the year	32,500	18,000
Prior year underprovision	-	588
	<u>£ 32,500</u>	<u>£ 18,588</u>

6. Intangible Fixed Asset

	<u>Group and Company</u>
	<u>Goodwill</u>
Cost	
At 1st April 2000 and 31st March 2001	£ 45,000
Amortisation	
At 1st April 2001	9,375
Charge for the year	9,000
At 31st March 2001	£ 18,375
Net book value	
At 31st March 2001	£ 26,625
At 31st March 2000	£ 35,625

7. Tangible Fixed Assets

	<u>Group and Company</u>		
	<u>Fixtures, Fittings and Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost			
At 1st April 2000	105,049	16,800	121,849
Additions	95,363	15,985	111,348
At 31st March 2001	£ 200,412	£ 32,785	£ 233,197
Depreciation			
At 1st April 2000	42,736	12,250	54,986
Charge for the year	30,868	4,644	35,512
At 31st March 2001	£ 73,604	£ 16,894	£ 90,498
Net book value			
At 31st March 2001	£ 126,808	£ 15,891	£ 142,699
At 31st March 2000	£ 62,313	£ 4,550	£ 66,863

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2001

Notes (Continued)

8. Fixed Asset Investments - Company

	<u>2001</u>	<u>2000</u>
Investment in subsidiary undertakings		
At 1st April 2000	-	-
Additions	30,100	-
At 31st March 2001	£ 30,100	£ -

Two wholly owned subsidiary companies, Interact Events Limited and Chambers Elite Limited were incorporated in the United Kingdom during the year.

Interact Events Limited provides conferences and related travel services to clients in the United Kingdom and generated a turnover of £672,237 during the year.

Chambers Elite Limited has not yet traded.

9. Debtors

	Group Amounts falling due within one year	Company Amounts falling due within one year	
	<u>2001</u>	<u>2001</u>	<u>2000</u>
Trade debtors	1,654,854	1,575,872	1,307,687
Other debtors	44,569	44,569	46,551
Amounts owed by group undertaking	-	63,328	-
Prepayments and accrued income	208,427	208,427	109,631
	<u>1,907,850</u>	<u>1,892,196</u>	<u>1,463,869</u>
	Amounts falling due after more than one year	Amounts falling due after more than one year	
	<u>2001</u>	<u>2001</u>	<u>2000</u>
Other debtors	29,917	29,917	-
	<u>29,917</u>	<u>29,917</u>	<u>-</u>

Other debtors included a balance due by a director of £Nil (2000 - £1,702). The maximum balance outstanding during the year was £1,702.

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2001

Notes (Continued)

10. Creditors

	Group Amounts falling due within <u>one year</u>	Company Amounts falling due within one year	
	<u>2001</u>	<u>2001</u>	<u>2000</u>
Bank overdraft	231,983	231,983	-
Trade creditors	1,221,165	1,221,165	1,257,889
Corporation tax	25,378	24,378	18,588
Other creditors	140,642	140,642	20,739
Other taxation and social security	51,507	41,644	29,990
Accruals and deferred income	133,029	133,029	50,814
	<u>£ 1,803,704</u>	<u>£ 1,792,841</u>	<u>£ 1,378,020</u>

The bank overdraft is secured by a mortgage debenture over the assets of the company.

11. Called Up Share Capital

	<u>2001</u>	<u>2000</u>
Authorised		
100,000 ordinary shares of £1 each	£ 100,000	£ 100,000
Allotted, called up and fully paid		
67,733 ordinary shares of £1 each	£ 67,733	£ 67,733

All shares rank equally in respect of all shareholder rights.

Options have been granted over 1,808 ordinary shares at £4 per ordinary share, exercisable between 22nd November 2001 and 21st November 2008.

12. Capital Redemption Reserve

The balance of £29,000 arose following the company's purchase of its own share capital, during the year ended 31st March 1994.

13. Reserves

	Group Profit and <u>Loss Account</u>	Company Share <u>Premium</u>	Company Profit and <u>Loss Account</u>
Balance at 1st April 2000	203,923	32,265	203,923
Profit for the financial year	68,825	-	65,399
Balance at 31st March 2001	<u>£ 272,748</u>	<u>£ 32,265</u>	<u>£ 269,322</u>

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2001

Notes (Continued)

14. Equity Shareholders' Funds

	<u>2001</u>	<u>Group</u>	<u>2000</u>
Balance at 1st April 2000	332,921		245,713
Profit for the financial year	68,825		43,210
Increase in issued share capital	-		43,998
Balance at 31st March 2001	£ 401,746	£	332,921

15. Contingent Liabilities

At 31st March 2001 bank guarantee facilities amounting to £4,250 had been provided to two trade suppliers. These guarantee facilities are secured by a memorandum of deposit over a bank account, with a balance of £8,697 at the year end.

16. Other Financial Commitments

The group has the following annual commitment under non cancellable leases on its premises, which expire:

	<u>2001</u>	<u>2000</u>
Within one year	35,000	4,500
Within two to five years	48,790	21,275
After more than five years	-	11,385
£	83,790	37,160

17. Reconciliation of Operating Profit to Cash Flows from Operating Activities

	<u>2001</u>	<u>2000</u>
Operating profit	93,456	63,040
Loss on current asset investment	17,000	-
Depreciation and amortisation	44,512	40,296
Profit on disposal of fixed assets	-	(1,550)
Increase in debtors	(473,898)	(601,827)
Increase in creditors	186,911	232,421
Cash outflow from operating activities	£ (132,019)	£ (267,620)

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2001

Notes (Continued)

18. Analysis of Cash Flows Netted in the Cash Flow Statement

Returns on investments and servicing of finance

	<u>2001</u>	<u>2000</u>
Interest received	7,869	2,435
Interest paid	-	(3,677)
Purchase of current asset investment	(17,755)	-
	<u>£ (9,886)</u>	<u>£ (1,242)</u>

Capital Expenditure

Purchase of fixed assets	(111,348)	(15,252)
Disposal of fixed assets	-	3,200
	<u>£ (111,348)</u>	<u>£ (12,052)</u>

19. Analysis of Change in Net Funds

	<u>At 1st April 2000</u>	<u>Cashflow</u>	<u>At 31st March 2001</u>
Cash and cash deposit	100,586	(2,982)	97,604
Bank overdraft	-	(231,983)	(231,983)
	<u>£ 100,586</u>	<u>£ (234,965)</u>	<u>£ (134,379)</u>