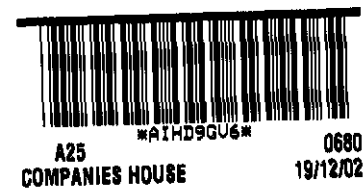


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CHAMBERS TRAVEL MANAGEMENT LIMITED

REPORT AND FINANCIAL STATEMENTS

31st MARCH 2002



Chambers Travel Management Limited

Directors

N.R.I. Foot (Managing)
J.A. Corbisiero
C.A. Thelen
T. Harris (Appointed 15th January 2002)

Secretary and Registered Office

A. Kodikara
58 Uxbridge Road, Ealing W5 2ST

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 2002.

Review of Activities

The principal activity of the company is business travel management. The directors are pleased to report a satisfactory result against the background of difficult trading conditions following the tragedy on 11th September 2001 in New York.

Results and Dividends

The profit for the year amounted to £77,597 (2001: £68,825). 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 £350 (2001 : £211).

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:

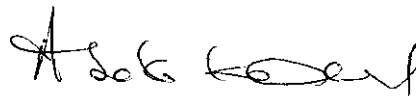
<u>Name</u>	<u>Holding at</u>	
	<u>31.3.02</u>	<u>31.3.01</u>
Mr. N.R.I. Foot	28,000	28,000
Mrs. J.A. Corbisiero	22,122	22,122
Mr. C.A. Thelen	17,611	17,611
Mr. T. Harris	-	-

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.

**Independent Auditors' Report to the Shareholders of
Chambers Travel Management Limited**

We have audited the financial statements of Chambers Travel Management Limited for the year ended 31 March 2002 set out on pages 5 to 15. These financial statements 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 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 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 with the company is not disclosed.

We read the Directors' 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 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 and of the group's affairs as at 31 March 2002 and of the 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

19th September 2002

Chambers Travel Management Limited

Consolidated Profit and Loss Account
For the year ended 31st March 2002

	<u>Note</u>	<u>2002</u>	<u>2001</u>
Turnover	1(c)	21,641,470	24,874,128
Cost of sales		<u>(19,281,807)</u>	<u>(22,606,037)</u>
Gross Profit		2,359,663	2,268,091
Administrative expenses		<u>(2,251,772)</u>	<u>(2,174,635)</u>
Operating Profit	2	107,891	93,456
Interest (payable)/receivable	3	<u>(5,080)</u>	<u>7,869</u>
Profit on Ordinary Activities before Taxation		102,811	101,325
Taxation on profit on ordinary activities	5	<u>(25,214)</u>	<u>(32,500)</u>
Profit for the Financial Year	14	<u>£ 77,597</u>	<u>£ 68,825</u>

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

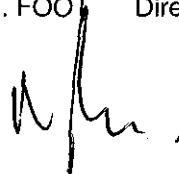
Chambers Travel Management Limited

Balance Sheets at 31st March 2002

	<u>Note</u>	<u>Group 2002</u>	<u>Group 2001</u>	<u>Company 2002</u>	<u>Company 2001</u>
Fixed Assets					
Intangible fixed asset	6	47,702	26,625	41,917	26,625
Tangible fixed assets	7	131,453	142,699	131,453	142,699
Investments	8	-	-	100	30,100
		<u>179,155</u>	<u>169,324</u>	<u>173,470</u>	<u>199,424</u>
Current Assets					
Debtors, amounts falling due after more than one year	9	29,917	29,917	29,917	29,917
Debtors, amounts falling due within one year	9	1,470,252	1,907,850	1,307,124	1,892,196
Current asset investment		-	755	-	755
Cash at bank and in hand		401,674	97,604	360,302	68,869
		<u>1,901,843</u>	<u>2,036,126</u>	<u>1,697,343</u>	<u>1,991,737</u>
Creditors, amounts falling due within one year	10	<u>(1,600,186)</u>	<u>(1,803,704)</u>	<u>(1,380,231)</u>	<u>(1,792,841)</u>
Net Current Assets		<u>301,657</u>	<u>232,422</u>	<u>317,112</u>	<u>198,896</u>
Total Assets Less Current Liabilities		480,812	401,746	490,582	398,320
Provision for Liabilities and Charges	11	<u>(1,469)</u>	<u>-</u>	<u>(1,469)</u>	<u>-</u>
	£	<u>479,343</u>	£ <u>401,746</u>	£ <u>489,113</u>	£ <u>398,320</u>
Capital and Reserves					
Called up share capital	12	67,733	67,733	67,733	67,733
Share premium	14	32,265	32,265	32,265	32,265
Capital redemption reserve	13	29,000	29,000	29,000	29,000
Profit and loss account	14	350,345	272,748	360,115	269,322
Equity Shareholders' Funds	15 £	<u>479,343</u>	£ <u>401,746</u>	£ <u>489,113</u>	£ <u>398,320</u>

The financial statements were approved by the Board on 19th September 2002

N.R.I. FOOT Director



Chambers Travel Management Limited

Consolidated Cashflow Statement
For the year ended 31st March 2002

	<u>Note</u>	<u>2002</u>	<u>2001</u>
Cash inflow/(outflow) from operating activities	18	655,611	(132,019)
Returns on investments and servicing of finance	19	(5,080)	(9,886)
Taxation paid		(32,338)	(25,710)
Capital expenditure	19	(82,140)	(111,348)
Cash inflow/(outflow) before financing		536,053	(278,963)
Financing			
Issue of ordinary share capital		-	43,998
Increase/(decrease) in cash	20	£ 536,053	£ (234,965)

Chambers Travel Management Limited**Financial Statements for the year ended 31st March 2002****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 statements of the company and its subsidiary undertaking for the year ended 31st March 2002.

(c) Turnover

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

(d) Fixed assets and depreciation

Tangible 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.

Intangible fixed assets, other than goodwill, are stated at cost, less accumulated depreciation, which is provided on a straight line basis at a rate of 33% p.a.

(e) Deferred taxation

Provision is made for deferred taxation using the liability method on accelerated capital allowances and other timing differences in accordance with FRS19.

(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 2002

Notes (Continued)

2. Operating Profit

	<u>2002</u>	<u>2001</u>
	£	£
Operating profit is stated after charging:		
Depreciation and amortisation	72,309	44,512
Auditors' remuneration	12,500	12,000
Directors' emoluments	182,195	184,391
	<u> </u>	<u> </u>

3. Interest Receivable/(Payable)

	<u>2002</u>	<u>2001</u>
Bank interest receivable	1,068	7,869
Bank interest payable	(6,148)	-
	<u> </u>	<u> </u>
£	£ (5,080)	£ 7,869
	<u> </u>	<u> </u>

4. Directors and Employees

	<u>2002</u>	<u>2001</u>
Directors emoluments comprise:		
Amount paid in respect of qualifying service	182,195	173,591
Contributions to personal pension schemes	12,150	10,800
	<u> </u>	<u> </u>
£	£ 194,345	£ 184,391
	<u> </u>	<u> </u>

	<u>2002</u>	<u>2001</u>
Staff costs comprise:		
Wages and salaries	1,288,227	1,208,354
Social security costs	125,746	123,371
Other pension costs	30,307	17,322
	<u> </u>	<u> </u>
£	£ 1,444,280	£ 1,349,047
	<u> </u>	<u> </u>

The average monthly number of persons, including directors, employed by the group during the year was 51 (2001 - 50).

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2002

Notes (Continued)

5. Taxation on Profit on Ordinary Activities

	<u>2002</u>	<u>2001</u>
Analysis of the charge in the period		
United Kingdom corporation tax		
based on the results for the year	24,700	32,500
Deferred taxation (note 11)	1,469	-
Prior year overprovision	(955)	-
	<u>£ 25,214</u>	<u>£ 32,500</u>
Tax reconciliation		
	<u>2002</u>	<u>2001</u>
	%	%
Average United Kingdom corporation tax rate	20	20
Adjustment in respect of prior years	(1)	-
Expenses not deductible for tax purposes	6	12
	<u>25</u>	<u>32</u>
Effective current taxation rate on profit on ordinary activities before taxation		

6. Intangible Fixed Assets

	<u>Goodwill</u>	<u>Website Development</u>	<u>Group Total</u>	<u>Company Goodwill</u>
Cost				
At 1st April 2001	45,000	-	45,000	45,000
Additions	27,500	6,500	34,000	27,500
At 31st March 2002	<u>£ 72,500</u>	<u>£ 6,500</u>	<u>£ 79,000</u>	<u>£ 72,500</u>
Amortisation				
At 1st April 2001	18,375	-	18,375	18,375
Charge for the year	12,208	715	12,923	12,208
At 31st March 2002	<u>£ 30,583</u>	<u>£ 715</u>	<u>£ 31,298</u>	<u>£ 30,583</u>
Net book value				
At 31st March 2002	<u>£ 41,917</u>	<u>£ 5,785</u>	<u>£ 47,702</u>	<u>£ 41,917</u>
At 31st March 2001	<u>£ 26,625</u>	<u>£ -</u>	<u>£ 26,625</u>	<u>£ 26,625</u>

Goodwill of £27,500 was paid during the year in respect of the purchase of a number of travel contracts. Turnover of £1,628,598 was generated from these contracts during the year. It is not practicable to calculate the operating profit arising.

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2002

Notes (Continued)

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 2001	200,412	32,785	233,197
Additions	48,140	-	48,140
At 31st March 2002	£ 248,552	£ 32,785	£ 281,337
Depreciation			
At 1st April 2001	73,604	16,894	90,498
Charge for the year	53,708	5,678	59,386
At 31st March 2002	£ 127,312	£ 22,572	£ 149,884
Net book value			
At 31st March 2002	£ 121,240	£ 10,213	£ 131,453
At 31st March 2001	£ 126,808	£ 15,891	£ 142,699

8. Fixed Asset Investments - Company

	<u>2002</u>	<u>2001</u>
Cost		
Investment in subsidiary undertakings		
At 1st April 2001	30,100	-
Additions	-	30,100
At 31st March 2002	£ 30,100	£ 30,100
Provision		
At 1st April 2001	-	-
Charge for the year	30,000	-
At 31st March 2002	£ 30,000	£ -
Net book value	£ 100	£ 30,100

The company owns 100% of the issued ordinary share capital of Interact Events Limited, registered in England whose principal activity is providing meetings and conference services.

The company also owns 100% of the issued ordinary share capital of Chambers Travel Elite Limited, registered in England which is a dormant company.

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2002

Notes (Continued)

9. Debtors

	Group Amounts falling due within one year		Company Amounts falling due within one year	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Trade debtors	1,178,901	1,654,854	1,071,434	1,575,872
Other debtors	34,424	44,569	34,424	44,569
Amounts owed by group undertakings	-	-	-	63,328
Prepayments and accrued income	256,927	208,427	201,266	208,427
	<u>£1,470,252</u>	<u>£1,907,850</u>	<u>£1,307,124</u>	<u>£1,892,196</u>

	Group Amounts falling due after more than one year		Company Amounts falling due after more than one year	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Group and company				
Other debtors	29,917	29,917	29,917	29,917
	<u>£29,917</u>	<u>£29,917</u>	<u>£29,917</u>	<u>£29,917</u>

10. Creditors

	Group Amounts falling due within one year		Company Amounts falling due within one year	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Bank overdraft	-	231,983	-	231,983
Trade creditors	943,829	1,221,165	923,244	1,221,165
Corporation tax	16,785	25,378	24,923	24,378
Other creditors	49,365	140,642	49,365	140,642
Other taxation and social security	114,501	51,507	113,612	41,644
Amounts owed to group undertakings	-	-	165,925	-
Accruals and deferred income	475,706	133,029	103,162	133,029
	<u>£1,600,186</u>	<u>£1,803,704</u>	<u>£1,380,231</u>	<u>£1,792,841</u>

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2002

Notes (Continued)

11. Provision for Liabilities and Charges

	Group and Company	
	<u>2002</u>	<u>2001</u>
Deferred tax		
Balance at 1st April 2001	-	-
Transfer from profit and loss account	1,469	-
At 31st March 2002	£ 1,469	£ -

The above balance arises from an excess of capital allowances over depreciation and represent the total potential liability to the company and group.

12. Called Up Share Capital

	<u>2002</u>	<u>2001</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.

13. 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.

14. Reserves

	<u>Group Profit and Loss Account</u>	<u>Group and Company Share Premium</u>	<u>Company Profit and Loss Account</u>
Balance at 1st April 2001	272,748	32,265	269,322
Profit for the financial year	77,597	-	90,793
Balance at 31st March 2002	£ 350,345	£ 32,265	£ 360,115

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2002

Notes (Continued)

15. Equity Shareholders' Funds

	<u>2002</u>	<u>Group</u>	<u>2001</u>
Balance at 1st April 2001	401,746		332,921
Profit for the financial year	77,597		68,825
Balance at 31st March 2002	£ 479,343	£	401,746

16. Contingent Liabilities

At 31st March 2002 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 £4,250 at the year-end.

The company has provided a commitment, to provide sufficient financial support to enable a subsidiary company, to continue as a going concern, until 30th September 2003.

17. Other Financial Commitments

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

	<u>2002</u>	<u>2001</u>
Within one year	29,568	35,000
Within two to five years	48,790	48,790
After more than five years	-	-
	£ 78,358	£ 83,790

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

	<u>2002</u>	<u>2001</u>
Operating profit	107,891	93,456
Loss on current asset investment	755	17,000
Depreciation and amortisation	72,309	44,512
Decrease/(increase) in debtors	437,598	(473,898)
Increase in creditors	37,058	186,911
Cash inflow from operating activities	£ 655,611	£ (132,019)

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2002

Notes (Continued)

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

Returns on investments and servicing of finance

	<u>2002</u>	<u>2001</u>
Interest received	1,068	7,869
Interest paid	(6,148)	-
Purchase of current asset investment	-	(17,755)
	<u>£ (5,080)</u>	<u>£ (9,886)</u>

Capital Expenditure

Purchase of fixed assets	(48,140)	(111,348)
Purchase of intangible assets	(34,000)	-
	<u>£ (82,140)</u>	<u>£ (111,348)</u>

20. Analysis of Change in Net Funds

	<u>At 1st April 2001</u>	<u>Cashflow</u>	<u>At 31st March 2002</u>
Cash and cash deposit	97,604	304,070	401,674
Bank overdraft	(231,983)	231,983	-
	<u>£ (134,379)</u>	<u>£ 536,053</u>	<u>£ 401,674</u>

21. Related Parties Transactions

The company has taken advantage of the FRS8 exemption not to disclose transactions with other group companies.