

THERMALIA TRAVEL LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

COMPANY REGISTRATION NUMBER: 2656817



THERMALIA TRAVEL LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

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The company was incorporated in England on 23rd October 1991.

**THERMALIA TRAVEL LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

Directors' Report

The Directors submits their report together with the audited financial statements for the year ended 31st December 2002.

Principal Activity

The principal activity of the company during the year was that of travel agents.

Directors

The directors who have served throughout the year and their shareholdings are as follows:-

	2002	2001
M Sabbion	15,273	15,273
A Sabbion	15,273	15,273
C May	-	-
A Matthews	8,000	8,000
M Sajfert	24,000	24,000 (held jointly with Mrs Sajfert)

Directors' 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 year. In preparing those financial statements the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgment and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to resume 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 to 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.

THERMALIA TRAVEL LIMITED
REPORT OF THE DIRECTORS (CONT).

Auditors

In accordance with section 385 of the Companies Act 1985 a resolution proposing that Kesaria & Co. be reappointed as auditors of the Company will be put to the Annual General Meeting.

This report which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies was approved by the board on 21st April 2003 and signed on its behalf.

By order of the Board,

Registered Office
Ramada House
361 Kenton Road
Harrow Middx. HA3 0XS



Secretary



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
THERMALIA TRAVEL LTD
FOR THE YEAR ENDED 31ST DECEMBER 2002**

We have audited the Financial Statements on pages 4 to 8 for the year ended 31st December 2002. These Financial Statements have been prepared in accordance with the Financial Reporting Standards for Smaller Entities (effective June 2002) under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statements of the directors' responsibilities on page 1 the company's directors are responsible for the preparation of 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

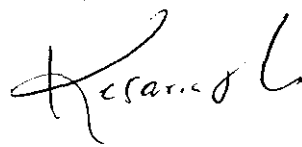
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 affairs at 31st December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of Companies Act 1985.

Kesaria & Co.
Chartered Certified Accountants &
Registered Auditor
44 Chapman Crescent
Harrow, Middlesex HA3 0TE



21st April 2003



THERMALIA TRAVEL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2002**

TURNOVER	Notes	2002 £	2001 £
Continuing operations	1	1,926,556	2,392,008
Cost of Sales		(1,668,100)	(2,086,157)
Gross Profit		258,456	305,851
Distribution Costs		(26,786)	(31,183)
Administrative expenses		(229,143)	(245,753)
Operating Profit			
Continuing operations	2	2,527	28,915
Other Interest Receivable and similar income	3	2,853	5,593
Profit on ordinary activities before tax		5,380	34,508
Taxation	4	(205)	(5,729)
Profit on ordinary activities after tax		5,175	28,779
Balance brought forward		39,965	11,186
Balance carried forward		45,140	39,965

The attached notes form part of these financial statements.

THERMALIA TRAVEL LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 2002

	Notes	2002	2001
		£	£
Fixed Assets			
Tangible assets	5	14,465	17,316
Current Assets			
Debtors and Prepayment	6	26,889	35,794
Cash at bank		207,981	267,511
		-----	-----
		234,870	303,305
Creditors: Amounts falling due within one year	7	(124,195)	(200,656)
		-----	-----
Net Current Assets		110,675	102,649
		-----	-----
Total Assets Less Current Liabilities		125,140	119,965
		=====	=====
Capital and Reserves			
Called up share capital	8	80,000	80,000
Profit and loss account		45,140	39,965
		-----	-----
Shareholders' funds	9	125,140	119,965
		=====	=====

These financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002) were approved by the board on 21st April 2003 and signed on its behalf.

Director



The attached notes form part of these financial statements.

THERMALIA TRAVEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

1 Accounting Policies

1.1 Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective June 2002)

1.2 Turnover

Turnover represents the amounts derived from the provision of goods and services in the normal course of business after deduction of return and value added tax. The whole of the turnover and profit before taxation is attributable to the one principal activity of the company from United Kingdom.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets less their estimated residual value over their expected useful lives on the following basis:

Goodwill	15% reducing balance basis
Leasehold Premises	over the term of the lease
Fixtures and fittings	10% reducing balance basis
Office equipment	25% reducing balance basis

1.4 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2 OPERATING PROFIT

Profit on ordinary activities before taxation is stated after charging:

	2002	2001
Depreciation of Tangible fixed assets(owned by Co.)	2,471	2,995
Amortisaation of Goodwill	600	600
Auditor's Remuneration	1,000	1000
	=====	=====

THERMALIA TRAVEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT) FOR THE YEAR ENDED 31ST DECEMBER 2002

3 Other Interest Receivable and Similar Income

	2002	2001
	£	£
Bank Deposit Interest	2,813	5,558
Dividends	40	35
	-----	-----
	2,853	5,593
	=====	=====

4 Taxation

	2002	2001
	£	£
UK current year taxation		
UK Corporation Tax (20%)	205	6,419
Overpayment in previous year	-	(690)
	-----	-----
	205	5,729
	=====	=====

5. Tangible fixed assets

	Goodwill	Furniture & Fixture	Office Equipment	Total
	£	£	£	£
Cost				
At 1/1/02	12,000	20,548	15,572	48,120
Additions	-	-	220	220
	-----	-----	-----	-----
At 31/12/02	12,000	20,548	15,792	48,340
	-----	-----	-----	-----
Depreciation				
At 1/1/02	10,500	10,299	10,005	30,804
Charge for the year	600	1,024	1,447	3,071
	-----	-----	-----	-----
At 31/12/02	11,100	11,323	11,452	33,875
	=====	=====	=====	=====
Net book values				
At 31/12/02	£ 900	£9,225	£4,340	£14,465
	=====	=====	=====	=====
At 31/12/01	£1,500	£10,249	£5,567	17,316
	=====	=====	=====	=====

THERMALIA TRAVEL LIMITED

NOTES TO THE FINANCIAL STATEMENT (CONT) FOR THE YEAR ENDED 31ST DECEMBER 2002

6. Debtors	2002	2001
	£	£
Trade Debtors	9,653	17,390
Prepayments	6,836	7,880
Payment in Advance	10,400	10,524
	-----	-----
	26,889	35,794
	=====	=====

7. Creditors: amounts falling due within one year

	2002	2001
	£	£
Trade creditors	76,601	155,472
Amount Received in Advance	34,922	23,199
Other taxes and social security	3,291	7,741
Accruals	9,176	7,825
Corporation Tax	205	6,419
	-----	-----
	124,195	200,656
	=====	=====

8. Share Capital

	2002	2001
	£	£
Authorised		
Ordinary shares of £1 each	110,000	110,000
Alloted and fully paid	=====	=====
Ordinary shares of £1 each	80,000	80,000
	=====	=====

9. Movement on shareholders' funds

	2002	2001
	£	£
Profit for the year	5,175	28,779
Opening shareholders funds	119,965	91,186
	-----	-----
Closing shareholders funds	125,140	119,965
	=====	=====

THERMALIA TRAVEL LIMITED
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2002

	2002		2001
	£		£
Sales	1,926,556		2,392,008
Purchases	(1,668,100)		(2,086,157)
	-----		-----
Gross Profit	258,456		305,851
Interest Received	2,813		5,558
Dividend Received	40		35
	-----		-----
	261,309		311,444
ADMINISTRATIVE EXPENSES			
Rent and Rates	23,912	23,823	
Insurance - Bond	6,504	11,594	
Insurance - Office	2,814	2,001	
Telephone	7,831	9,197	
Printing, Postage & Stationery	9,451	8,901	
Computer software	35	2,154	
Subscriptions and Licence	5,279	4,434	
Repairs and Renewals	3,341	3,172	
Salaries and NIC Insurance	138,152	140,066	
General Expense & Cleaning	1,317	3,774	
Audit and Accountancy	11,050	11,225	
Professional Fees	1,700	1,500	
Light and Heat	1,006	1,808	
Hire of Equipment	5,551	4,523	
Travelling & Entertainment	6,309	8,634	
Educational	479	487	
Dep:Furn,Fixture & Fittings	1,024	1,139	
Office Equipment	1,447	1,856	
Goodwill	600	600	
	-----	-----	
	(227,802)		(240,888)
Selling & Distributions			
Advertising/Promotion	13,906	16,786	
Credit Card Commission	10,521	11,588	
Delivery Expenses	2,359	2,809	
	-----	-----	
	(26,786)		(31,183)
	-----		-----
Operating Profit	6,721		39,373
Bank Charges & Interest	(1,341)		(4,865)
	-----		-----
Net Profit for the year before Tax	5,380		34,508
	=====		=====