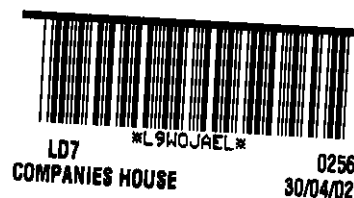


Company Registration No. 3190720 (England and Wales)

AUDLEY TRAVEL GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001



AUDLEY TRAVEL GROUP LIMITED

COMPANY INFORMATION

Directors	C Burkinshaw J E Brewer
Secretary	J E Brewer
Company number	3190720
Registered office	6 Willows Gate Stratton Audley Bicester Oxfordshire OX 27 9AU
Auditors	A V Audit Limited 66 Wigmore Street London W1U 2HQ
Bankers	Barclays Bank Plc P O Box 15161 50 Pall Mall London SW1Y 5AX

AUDLEY TRAVEL GROUP LIMITED

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AUDLEY TRAVEL GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2001

The directors present their report and financial statements for the year ended 30 September 2001.

Principal activities

The company changed its name from Asian Journeys Limited to Audley Travel Group Limited on 1 June 2001. The principal activity of the company continued to be that of holiday tour operator and computer consultancy.

The Euro

The directors have considered whether the introduction of the Euro could adversely affect the business operations. The directors have assessed that no part of the company's current operations are critically dependent on the Euro.

Directors

The following directors have held office since 1 October 2000:

C Burkinshaw
J E Brewer

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	30 September 2001	1 October 2000
C Burkinshaw	15,000	15,000
J E Brewer	15,000	15,000

Auditors

A V Audit Limited acquired the audit practice of Levy Gee and in accordance with section 26 of the Companies Act 1989 has been appointed as auditors in succession. In accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

AUDLEY TRAVEL GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

Directors' responsibilities

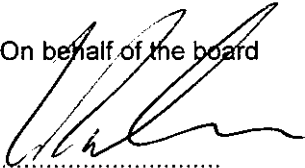
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



C Burkinshaw

Director

15-12-01

AUDLEY TRAVEL GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AUDLEY TRAVEL GROUP LIMITED

We have audited the financial statements of Audley Travel Group Limited on pages 4 to 9 for the year ended 30 September 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2 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 affairs as at 30 September 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A V Audit Limited

Registered Auditor

A V Audit Limited
16-12-01
66 Wigmore Street
London
W1U 2HQ

AUDLEY TRAVEL GROUP LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2001

	Notes	2001 £	2000 £
Turnover		1,926,481	1,244,250
Cost of sales		(1,325,939)	(922,130)
Gross profit		600,542	322,120
Distribution costs		(131,048)	(26,238)
Administrative expenses		(347,864)	(249,389)
Operating profit	2	121,630	46,493
Other interest receivable and similar income	3	3,838	3,230
Interest payable and similar charges		(28)	(421)
Profit on ordinary activities before taxation		125,440	49,302
Tax on profit on ordinary activities	4	(21,497)	(11,362)
Profit on ordinary activities after taxation		103,943	37,940
Dividends	5	(74,800)	-
Retained profit for the year	10	29,143	37,940

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

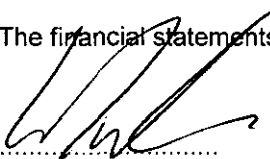
AUDLEY TRAVEL GROUP LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	6		19,691		15,644
Current assets					
Stocks		58,500		-	
Debtors	7	311,842		345,300	
Cash at bank and in hand		48,125		139,030	
		<u>418,467</u>		<u>484,330</u>	
Creditors: amounts falling due within one year	8	<u>(290,203)</u>		<u>(381,162)</u>	
Net current assets			128,264		103,168
Total assets less current liabilities			<u>147,955</u>		<u>118,812</u>
Capital and reserves					
Called up share capital	9		30,000		30,000
Profit and loss account	10		117,955		88,812
Shareholders' funds - equity interests	11		<u>147,955</u>		<u>118,812</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 15/12/01


C Burkinshaw
Director

AUDLEY TRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

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 less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	30% reducing balance
Fixtures and fittings	30% reducing balance
Motor vehicles	30% reducing balance

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating profit

	2001 £	2000 £
Operating profit is stated after charging:		
Depreciation of tangible assets	13,823	6,706
Operating lease rentals	3,920	1,587
Auditors' remuneration	5,000	2,500
Directors' emoluments	24,000	24,000
	<u> </u>	<u> </u>

3 Other interest receivable and similar income

	2001 £	2000 £
Bank interest	3,838	3,230
	<u> </u>	<u> </u>

AUDLEY TRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

4	Taxation	2001 £	2000 £	
	U.K. current year taxation			
	U.K. corporation tax at 20% (2000 - 20%)	20,000	11,362	
	Prior years			
	U.K. corporation tax	1,497	-	
		<u>21,497</u>	<u>11,362</u>	
5	Dividends	2001 £	2000 £	
	Ordinary interim paid	<u>74,800</u>	<u>-</u>	
6	Tangible fixed assets			
		Computer equipment £	Fixtures and fittings £	Total £
	Cost			
	At 1 October 2000	25,625	7,029	32,654
	Additions	17,406	464	17,870
	At 30 September 2001	<u>43,031</u>	<u>7,493</u>	<u>50,524</u>
	Depreciation			
	At 1 October 2000	14,901	2,109	17,010
	Charge for the year	8,439	5,384	13,823
	At 30 September 2001	<u>23,340</u>	<u>7,493</u>	<u>30,833</u>
	Net book value			
	At 30 September 2001	<u>19,691</u>	<u>-</u>	<u>19,691</u>
	At 30 September 2000	<u>10,724</u>	<u>4,920</u>	<u>15,644</u>
7	Debtors	2001 £	2000 £	
	Trade debtors	169,584	308,632	
	Other debtors	142,258	36,668	
		<u>311,842</u>	<u>345,300</u>	

AUDLEY TRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

8	Creditors: amounts falling due within one year	2001	2000
		£	£
	Bank loans and overdrafts	12,719	14,537
	Trade creditors	87,430	58,588
	Taxation and social security	32,906	28,133
	Other creditors	157,148	279,904
		<u>290,203</u>	<u>381,162</u>
9	Share capital	2001	2000
		£	£
	Authorised		
	100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid		
	30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
10	Statement of movements on profit and loss account		
			Profit and loss account
			£
	Balance at 1 October 2000		88,812
	Retained profit for the year		29,143
	Balance at 30 September 2001		<u>117,955</u>
11	Reconciliation of movements in shareholders' funds	2001	2000
		£	£
	Profit for the financial year	103,943	37,940
	Dividends	(74,800)	-
	Net addition to shareholders' funds	<u>29,143</u>	<u>37,940</u>
	Opening shareholders' funds	118,812	80,872
	Closing shareholders' funds	<u>147,955</u>	<u>118,812</u>

AUDLEY TRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

12 Financial commitments

At 30 September 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			
	2001	2000	2001	Other 2000
	£	£	£	£
Expiry date:				
Within one year	34,236	-	3,810	-

13 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding		Maximum
	2001	2000	in year
	£	£	£
Director's current account (debit bal)	-	-	9,091
Director's current account (debit bal)	-	-	3,918

14 Related party transactions

The company made sales of computer consultancy amounting to £168,900 (2000 : £25,100) to Prosomo Limited, a company owned by the directors. At the end of the year the outstanding balances owed by Prosomo Limited amounted to £112,419 (2000 : £-).

15 Post balance sheet events

The company has given the following bond to the Civil Aviation Authority :

[1] £155,000 from 1 April 2001 to 30 September 2002 (2000 : £175,313).

[2] £38,000 from 25 June 2001 to 30 September 2002.