

PANORAMA INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2002

Registration Number 3006294



RAWI & CO

CHARTERED ACCOUNTANTS

128 EBURY STREET

LONDON SW1W 9QQ

PANORAMA INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 April 2002

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PANORAMA INTERNATIONAL LIMITED

Director and Officers

DIRECTOR

MR H AL-NAKEEB

SECRETARY

MR ANTONIO VENUTI

REGISTERED OFFICE

158-160 CROMWELL ROAD
LONDON SW5 OTL

AUDITORS

RAWI & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
128 EBURY STREET
LONDON SW1W 9QQ

BANKERS

NATIONAL WESTMINSTER BANK PLC
PO BOX 420
88 CROMWELL ROAD
LONDON SW7 4EW

PANORAMA INTERNATIONAL LIMITED

Director's Report

The director presents his report and accounts for the year ended 30 April 2002.

Statement of Director's Responsibilities

Company law requires the director to prepare accounts 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 for that period. In preparing those accounts, the director is 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for maintaining 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 accounts comply with the Companies Act 1985. He is 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.

Principal activities and review of the business

The company's principal activity during the year continued to be that of Tour Operators.

Although there was a slight reduction in sales, the company maintained most of the business in this difficult year. Your director is confident that company will continue to be profitable in future year.

Results and dividends

The profit for the year, after taxation, amounted to £ 117,659. In view of the future requirements, your director does not propose any dividend.

Future developments

The director aim to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the next few years will show a further significant growth in sales.

Director and director's interests

Mr H Al-Nakeeb was the only director who served the company throughout the year under review and beneficially held the entire issued share capital of the company at the beginning of the year. He disposed his entire shareholding on 26 May 2001.

Auditors

A resolution to reappoint Rawi & Co as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 23 April 2003.


H Al-Nakeeb
Director

PANORAMA INTERNATIONAL LIMITED

Independent auditors' report to the shareholder of Panorama International Limited

We have audited the accounts of Panorama International Limited for the year ended April 30, 2002 which comprise pages 5 to 12. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any one other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of director and auditors

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 Director's Report is not consistent with the accounts, 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at April 30, 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Rawi & Co

**Chartered Accountants
Registered Auditors**

128 Ebury Street London SW1W 9QQ

Date: 23 April 2003

PANORAMA INTERNATIONAL LIMITED

Profit and Loss Account for the year ended 30 April 2002

	Notes	2002 £	2001 £
Turnover	2	9,823,907	11,977,747
Cost of sales		(8,628,585)	(10,413,673)
Gross profit		<u>1,195,322</u>	<u>1,564,074</u>
Administrative expenses		(1,093,788)	(1,078,144)
Other operating income		-	34,375
Operating profit	3	<u>101,534</u>	<u>520,305</u>
Interest receivable		49,427	46,428
Profit on ordinary activities before taxation		<u>150,961</u>	<u>566,733</u>
Taxation on profit on ordinary activities	5	(33,302)	(148,648)
Profit on ordinary activities after taxation		<u>117,659</u>	<u>418,085</u>
Dividends:			
ordinary dividend on equity shares	6	-	(500,000)
Retained profit/(loss) for the year	11	<u>117,659</u>	<u>(81,915)</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

PANORAMA INTERNATIONAL LIMITED

Balance Sheet as at 30 April 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	7	24,399	16,210
Current assets			
Debtors	8	1,774,654	2,419,395
Short term bank deposits		1,300,000	850,000
Cash at bank and in hand		49,729	220,321
		<u>3,124,383</u>	<u>3,489,716</u>
Creditors: amounts falling due within one year	9	(2,890,416)	(3,365,219)
Net current assets		<u>233,967</u>	<u>124,497</u>
Net assets		<u>258,366</u>	<u>140,707</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	258,266	140,607
Equity Shareholders' Funds	12	<u>258,366</u>	<u>140,707</u>

The financial statements were approved by the board on 23 April 2003

H Al-Nakeeb

H Al-Nakeeb
Director

PANORAMA INTERNATIONAL LIMITED

Cash Flow Statement

for the year ended 30 April 2002

	Notes	2002 £	2001 £
Net cash inflow from operating activities	13	420,295	2,539,362
Returns on investments and servicing of finance	14	49,427	46,428
Taxation		(167,101)	(177,735)
Capital expenditure	14	(23,213)	(23,692)
Equity dividend paid		-	(1,500,000)
Management of liquid resources	14	(450,000)	(850,000)
(Decrease)/increase in cash	15	<u>(170,592)</u>	<u>34,363</u>

PANORAMA INTERNATIONAL LIMITED

Notes to the Accounts - 30 April 2002

1 Accounting policies

Accounting convention

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

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset, as follows:

Fixtures, Fittings & Equipment	over 5 years
Computer equipment	over 3 years

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition in a tax computation.

Assets and liabilities are calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Foreign currencies

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

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

2 Turnover

The company operates the Tour Operators Margin Scheme for vat purpose. Under the scheme the output vat is accounted for on the gross margins achieved during the period and therefore the turnover is stated inclusive of value added tax, where applicable, and represents amounts invoiced to third parties.

	2002	2001
Turnover attributable to geographical markets outside the UK	100%	100%

PANORAMA INTERNATIONAL LIMITED

Notes to the Accounts - 30 April 2002

3 Operating profit	2002	2001
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	15,024	26,889
Operating lease rentals - land buildings	12,650	12,650
Auditors' remuneration	10,500	10,500
Directors' emoluments, excluding pension contributions, fell within the following ranges:	2002	2001
	Number	Number
£35,001 - £40,000	1	-
Emoluments, excluding pension contributions	2002	2001
	£	£
Chairman and highest paid director	40,000	-
4 Staff costs	2002	2001
	£	£
Wages and salaries	562,012	599,521
Social security costs	58,491	58,258
Other pension costs	40,000	-
	660,503	657,779
Average number of employees excluding the director during the year were		
Administration	33	27
5 Tax on profit on ordinary activities	2002	2001
	£	£
UK corporation tax at 30%	33,302	148,648
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	33,302	170,913
Adjustments in respect of previous periods	-	22,065
	33,302	148,648
Factors affecting tax charge for period		
The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:.		
	2002	2001
	£	£
Profit on ordinary activities before tax	150,961	566,733
Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	45,288	170,020
Effects of:		
Expenses not deductible for tax purposes	5,093	3,428
Capital allowances for period in excess of depreciation	(1,332)	1,626
Marginal Relief	(15,747)	(4,161)
Current tax charge for period	33,302	170,913

PANORAMA INTERNATIONAL LIMITED

Notes to the Accounts - 30 April 2002

6 Equity dividends	2002	2001
	£	£
Equity dividends on ordinary shares - interim paid	-	500,000
7 Tangible fixed assets	Plant and machinery	
	£	
Cost		
At 1 May 2001	110,021	
Additions	23,213	
At 30 April 2002	133,234	
Depreciation		
At 1 May 2001	93,811	
Charge for the year	15,024	
At 30 April 2002	108,835	
Net book value		
At 30 April 2002	24,399	
At 30 April 2001	16,210	
8 Debtors	2002	2001
	£	£
Trade debtors	1,769,473	2,417,745
Other debtors	4,000	-
Prepayments and accrued income	1,181	1,650
	1,774,654	2,419,395
9 Creditors: amounts falling due within one year	2002	2001
	£	£
Trade creditors	1,512,835	1,744,666
Corporation tax	54,310	188,109
Other taxes and social security costs	45,444	82,742
Other creditors	1,210,713	1,313,845
Accruals	67,114	35,857
	2,890,416	3,365,219
10 Share capital	2002	2001
	£	£
Authorised:		
Ordinary shares of £1 each	100	100
	2002	2001
	No	No
	£	£
Allotted, called up and fully paid:		
Ordinary shares of £1 each	100	100

PANORAMA INTERNATIONAL LIMITED

Notes to the Accounts - 30 April 2002

11 Profit and loss account	2002	2001
	£	£
At 1 May	140,607	222,522
Retained profit/(loss)	117,659	(81,915)
At 30 April	<u>258,266</u>	<u>140,607</u>
12 Reconciliation of movements in shareholders' funds	2002	2001
	£	£
At 1 May	140,707	222,622
Profit for the financial year	117,659	418,085
Dividends	-	(500,000)
At 30 April	<u>258,366</u>	<u>140,707</u>
13 Reconciliation of operating profit to net cash inflow from operating activities	2002	2001
	£	£
Operating profit	101,534	520,305
Depreciation charges	15,024	26,889
Decrease in debtors	644,741	214,326
(Decrease)/increase in creditors	(341,004)	1,777,842
Net cash inflow from operating activities	<u>420,295</u>	<u>2,539,362</u>
14 Gross cash flows	2002	2001
	£	£
Returns on investments and servicing of finance		
Interest received	<u>49,427</u>	<u>46,428</u>
Capital expenditure		
Payments to acquire tangible fixed assets	<u>(23,213)</u>	<u>(23,692)</u>
Management of liquid resources		
Short term bank deposits	<u>1,300,000</u>	<u>850,000</u>
15 Cash and cash equivalent	Cash at	Cash at
	bank and in	bank and in
	hand	hand
At 1 May 2001	220,321	185,958
At 30 April 2002	49,729	220,321
	<u>(170,592)</u>	<u>34,363</u>

PANORAMA INTERNATIONAL LIMITED

Notes to the Accounts - 30 April 2002

16 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2002 £	Land and buildings 2001 £	Other 2002 £	Other 2001 £
Operating leases which expire: within two to five years	12,650	12,650	-	-

17 Related parties

- A. The company was controlled during the year by the Director Mr H Al-Nakeeb. However Mr H Al Nakeeb sold his shareholding on 26 May 2001 to Panorama International Investments Limited a company registered in British Virgin Islands. The director regards this to be ultimate holding company. The company owed £788,411 to Mr H Al Nakeeb on 30 April 2002.
- B. During the year, the following Related Party Transactions were conducted with Metmix Ltd, a company in which Mr H Al-Nakeeb is also a director.

	2002 £	2001 £
Cost of Sales (Including VAT)	900,000	1,135,249
Salaries recharged by Metmix Limited	191,506	210,567
Rent & Management charges payable	144,511	90,000
Amount payable as at April 30	728,170	945,090