

PANORAMA INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 1998

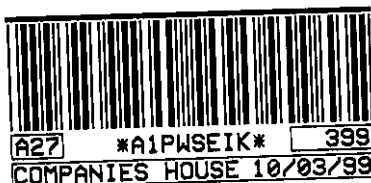
Registration Number 3006294

RAWI & CO

CHARTERED ACCOUNTANTS

128 EBURY STREET

LONDON SW1W 9QQ



PANORAMA INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 April 1998

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PANORAMA INTERNATIONAL LIMITED

Directors and Officers

DIRECTORS

MR H AL-NAKEEB

SECRETARY

MR ANTONIO VENUTI

REGISTERED OFFICE

158-160 CROMWELL ROAD
LONDON SW5 OTL

AUDITORS

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

BANKERS

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

SOLICITORS

SPRECHER GRIER
LINCOLN HUSE
300 HIGH HOLBORN
LONDON WC1V 7JH

PANORAMA INTERNATIONAL LIMITED

Director's Report

The director presents his report and accounts for the year ended 30 April 1998.

Statement of Directors' Responsibilities

Company law requires the directors 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 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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. 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.

Principal activities and review of the business

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

Turnover has increased by 14% during the year. The company is in a good position to take advantage of any opportunities and has recently opened a branch in Scotland during March 1998.

Results and dividends

The profit for the year, after taxation, amounted to £349,260. The directors do not recommend a payment of dividend.

Future developments

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

Director and director's interests

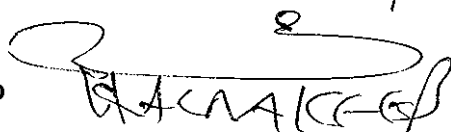
Mr H Al-Nakeeb was the only director who served the company throughout the year under review and held two shares of the company at the beginning and end of the year.

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 3/3/99

H Al-Nakeeb
Director



PANORAMA INTERNATIONAL LIMITED

Auditors' Report

Report of the auditors to the shareholders of PANORAMA INTERNATIONAL LIMITED

We have audited the accounts on pages 5 to 11 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 the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

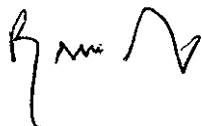
Basis of opinion

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 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 30 April 1998 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

3 MARCH 1998

PANORAMA INTERNATIONAL LIMITED

Profit and Loss Account

for the year ended 30 April 1998

	Notes	1998 £	1997 £
Turnover	2	7,058,411	6,173,605
Cost of sales		(6,191,785)	(5,311,113)
Gross profit		866,626	862,492
Administrative expenses		(412,319)	(750,117)
Other operating income		40,625	-
Operating profit	3	494,932	112,375
Interest receivable		10,826	691
Profit on ordinary activities before taxation		505,758	113,066
Taxation on profit on ordinary activities	5	(156,498)	(28,000)
Profit on ordinary activities after taxation		349,260	85,066
Retained profit for the year	11	349,260	85,066

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

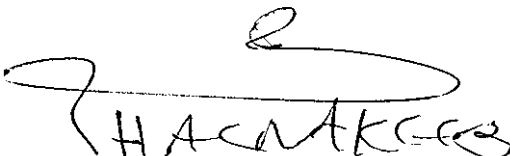
The company has no recognised gains or losses other than the profit for the above two financial years.

PANORAMA INTERNATIONAL LIMITED

Balance Sheet as at 30 April 1998

	Notes	1998 £	1997 £
Fixed assets			
Tangible assets	6	31,255	20,747
Current assets			
Debtors	7	1,900,779	1,728,283
Cash at bank and in hand		215,967	157,627
		<u>2,116,746</u>	<u>1,885,910</u>
Creditors: amounts falling due within one year	8	(1,497,154)	(1,580,542)
Net current assets		<u>619,592</u>	<u>305,368</u>
Total assets less current liabilities		<u>650,847</u>	<u>326,115</u>
Creditors: amounts falling due after more than one year	9	(25,472)	(50,000)
		<u>625,375</u>	<u>276,115</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	625,275	276,015
Equity Shareholders' Funds	12	<u>625,375</u>	<u>276,115</u>

The financial statements were approved by the board on 3/3/99


 H Al-Nakeeb
 Director

PANORAMA INTERNATIONAL LIMITED

Cash Flow Statement

for the year ended 30 April 1998

	Notes	1998 £	1997 £
Net cash inflow from operating activities	13	99,481	245,303
Returns on investments and servicing of finance	14	10,826	691
Taxation		(34,000)	(63,185)
Capital expenditure	14	(17,967)	-
Increase in cash		<u>58,340</u>	<u>182,809</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		58,340	182,809
Change in net debt		<u>58,340</u>	<u>182,809</u>
Net funds/(net debt) at 1 May		<u>157,627</u>	<u>(25,182)</u>
Net funds at 30 April	15	<u>215,967</u>	<u>157,627</u>

PANORAMA INTERNATIONAL LIMITED

Notes to the Accounts - 30 April 1998

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	20% on Written Down Value
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Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected in the foreseeable future, calculated at the rate at which it is estimated that the tax will be payable.

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

Turnover is stated inclusive of value added tax, where applicable, and represents amounts invoiced to third parties.

3 Operating profit

1998	1997
£	£

This is stated after charging:

Depreciation of owned fixed assets	7,459	5,817
Auditors' remuneration	5,000	5,000

PANORAMA INTERNATIONAL LIMITED

Notes to the Accounts - 30 April 1998

4 Staff costs	1998	1997
	£	£
Wages and salaries	164,134	133,003
Social security costs	15,699	13,154
	<u>179,833</u>	<u>146,157</u>
Average number of employees during the year		
Administration	<u>20</u>	<u>7</u>
5 Tax on profit on ordinary activities	1998	1997
	£	£
UK corporation tax at 31%	<u>156,498</u>	<u>28,000</u>
6 Tangible fixed assets		
	Plant and machinery	
	£	
Cost		
At 1 May 1997	34,289	
Additions	17,967	
At 30 April 1998	<u>52,256</u>	
Depreciation		
At 1 May 1997	13,542	
Charge for the year	7,459	
At 30 April 1998	<u>21,001</u>	
Net book value		
At 30 April 1998	<u>31,255</u>	
At 30 April 1997	<u>20,747</u>	
7 Debtors	1998	1997
	£	£
Trade debtors	1,875,797	1,728,283
Other debtors	24,982	-
	<u>1,900,779</u>	<u>1,728,283</u>

PANORAMA INTERNATIONAL LIMITED

Notes to the Accounts - 30 April 1998

8 Creditors: amounts falling due within one year	1998	1997
	£	£
Trade creditors	1,051,488	1,363,317
Corporation tax	150,429	27,931
Other taxes and social security costs	58,174	41,475
Other creditors	204,197	133,339
Accruals	32,866	14,480
	<u>1,497,154</u>	<u>1,580,542</u>
9 Creditors: amounts falling due after one year	1998	1997
	£	£
Shareholder Loan	<u>25,472</u>	<u>50,000</u>
10 Share capital	1998	1997
	£	£
Authorised:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	1998	1997
	No	No
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
11 Profit and loss account	1998	1997
	£	£
At 1 May	276,015	190,949
Retained profit	349,260	85,066
	<u>625,275</u>	<u>276,015</u>
12 Reconciliation of movements in shareholders' funds	1998	1997
	£	£
At 1 May	276,115	191,049
Profit for the financial year	349,260	85,066
	<u>625,375</u>	<u>276,115</u>

PANORAMA INTERNATIONAL LIMITED

Notes to the Accounts - 30 April 1998

13 Reconciliation of operating profit to net cash inflow from operating activities	1998 £	1997 £
Operating profit	494,932	112,375
Depreciation charges	7,459	5,187
Increase in debtors	(172,496)	(734,192)
(Decrease)/increase in creditors	(230,414)	861,933
Net cash inflow from operating activities	99,481	245,303

14 Gross cash flows	1998 £	1997 £
Returns on investments and servicing of finance		
Interest received	10,826	691
Capital expenditure		
Payments to acquire tangible fixed assets	(17,967)	-

15 Analysis of changes in net debt	At 1 May 1997 £	Cash flows £	Non-cash changes £	At 30 Apr 1998 £
Cash at bank and in hand	157,627	58,340		215,967
Total	157,627	58,340	-	215,967

16 Related parties

A. The company is controlled by the Director Mr H Al-Nakeeb.

B. During the year, the following Related Party Transactions were conducted with Metmix Ltd, a company which is controlled by the father of Mr H Al-Nakeeb.

Cost of Sales	£724,796 (1997 : £615,376)
Rent & Management charges payable	£65,000 (1997 : £ 65,000)

Amount payable as at April 30 1998 £190,398 (1997: £566,075)