

BAVERSTOCKS
Chartered Accountants

ABBREVIATED FINANCIAL STATEMENTS

FOR THE PERIOD

1 APRIL 2002 TO 31 DECEMBER 2002

FOR

ANANDA TRAVEL (UK) LIMITED



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ANANDA TRAVEL (UK) LIMITED

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FOR THE PERIOD 1 APRIL 2002 TO 31 DECEMBER 2002

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ANANDA TRAVEL (UK) LIMITED

COMPANY INFORMATION
FOR THE PERIOD 1 APRIL 2002 TO 31 DECEMBER 2002

DIRECTORS: Yeuk Wai CHAN
Richard Siu Tsuen LUI
Eva Ling CHAN

SECRETARY: Grace CHEE

REGISTERED OFFICE: Dickens House
Guithavon Street
WITHAM
Essex
CM8 1BJ

REGISTERED NUMBER: 02785213 (England and Wales)

AUDITORS: Baverstocks
Registered Auditors
Chartered Accountants
Dickens House
Guithavon Street
WITHAM
Essex CM8 1BJ

BANKERS: The Hong Kong and Shanghai Banking Corporation Limited
17 Gerrard Street
LONDON
W1V 8HB

ANANDA TRAVEL (UK) LIMITED

REPORT OF THE DIRECTORS

FOR THE PERIOD 1 APRIL 2002 TO 31 DECEMBER 2002

The directors present their report with the financial statements of the company for the period 1 April 2002 to 31 December 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of travel consultants and there have been no significant changes during the year under review.

REVIEW OF BUSINESS

The results for the period and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the period ended 31 December 2002.

DIRECTORS

The directors during the period under review were:

Yeuk Wai CHAN	
Richard Siu Tsuen LUI	- appointed 10.6.2002
Eva Ling CHAN	- appointed 10.6.2002
Yeuk Pun CHAN	- resigned 19.8.2002

The directors other than Mr. Yeuk Wai CHAN holding office at 31 December 2002 did not hold any beneficial interest in the issued share capital of the company at 1 April 2002 (or date of appointment if later) or 31 December 2002.

STATEMENT OF 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.

AUDITORS

The auditors, Baverstocks, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



Richard Siu Tsuen LUI - DIRECTOR

Dated: ... 11/12/... 2003

ANANDA TRAVEL (UK) LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO
ANANDA TRAVEL (UK) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages four to twelve, together with the full financial statements of the company for the period ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

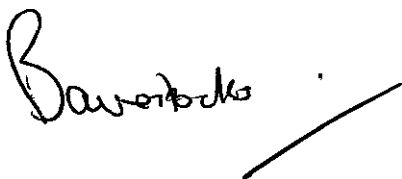
Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages four to twelve are properly prepared in accordance with that provision.

Baverstocks
Registered Auditors
Chartered Accountants
Dickens House
Guithavon Street
WITHAM
Essex CM8 1BJ

A handwritten signature in dark ink, appearing to read 'Baverstocks', followed by a long horizontal stroke.

Dated: 19 December 2003

ANANDA TRAVEL (UK) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1 APRIL 2002 TO 31 DECEMBER 2002

		Period 1.4.02 to 31.12.02	Year Ended 31.3.02
	Notes	£	£
GROSS PROFIT		109,006	143,529
Administrative expenses		<u>157,944</u>	<u>209,281</u>
OPERATING LOSS	3	(48,938)	(65,752)
Interest receivable and similar income		<u>-</u>	<u>2</u>
		(48,938)	(65,750)
Interest payable and similar charges	4	<u>965</u>	<u>707</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(49,903)	(66,457)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION		(49,903)	(66,457)
Deficit brought forward		<u>(273,071)</u>	<u>(206,614)</u>
DEFICIT CARRIED FORWARD		<u>£(322,974)</u>	<u>£(273,071)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current period or previous year.

ANANDA TRAVEL (UK) LIMITED**ABBREVIATED BALANCE SHEET**
31 DECEMBER 2002

		2002		2002	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		11,432		11,637
CURRENT ASSETS:					
Debtors	7	17,783		2,510	
Cash at bank and in hand		<u>3,022</u>		<u>6,607</u>	
		20,805		9,117	
CREDITORS: Amounts falling due within one year	8	<u>355,209</u>		<u>293,823</u>	
NET CURRENT LIABILITIES:			(334,404)		(284,706)
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£(322,972)</u>		<u>£(273,069)</u>
CAPITAL AND RESERVES:					
Called up share capital	10		2		2
Profit and loss account			<u>(322,974)</u>		<u>(273,071)</u>
SHAREHOLDERS' FUNDS:	14		<u>£(322,972)</u>		<u>£(273,069)</u>

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

ON BEHALF OF THE BOARD:

Richard Siu Tsuen LUI - DIRECTOR



Eva Ling CHAN - DIRECTOR

Approved by the Board on ...12/12...2003

ANANDA TRAVEL (UK) LIMITED**CASH FLOW STATEMENT**
FOR THE PERIOD 1 APRIL 2002 TO 31 DECEMBER 2002

		Period 1.4.02 to 31.12.02	Year Ended 31.3.02
	Notes	£	£
Net cash outflow from operating activities	1	(3,825)	(6,523)
Returns on investments and servicing of finance	2	(965)	(705)
Capital expenditure	2	(2,229)	-
Decrease in cash in the period		<u>£(7,019)</u>	<u>£(7,228)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		<u>(7,019)</u>	<u>(7,228)</u>
Change in net funds resulting from cash flows		<u>(7,019)</u>	<u>(7,228)</u>
Movement in net funds in the period		<u>(7,019)</u>	<u>(7,228)</u>
Net funds at 1 April		<u>6,607</u>	<u>13,835</u>
Net (debt)/funds at 31 December		<u>£(412)</u>	<u>£6,607</u>

The notes form part of these financial statements

ANANDA TRAVEL (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 APRIL 2002 TO 31 DECEMBER 2002

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Period 1.4.02 to 31.12.02 £	Year Ended 31.3.02 £
Operating loss	(48,938)	(65,752)
Depreciation charges	2,433	3,094
(Increase)/Decrease in debtors	(15,272)	7,727
Increase in creditors	<u>57,952</u>	<u>48,408</u>
Net cash outflow from operating activities	<u>(3,825)</u>	<u>(6,523)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period 1.4.02 to 31.12.02 £	Year Ended 31.3.02 £
Returns on investments and servicing of finance		
Interest received	-	2
Interest paid	(227)	(67)
Interest element of hire purchase or finance lease rentals payments	<u>(738)</u>	<u>(640)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(965)</u>	<u>(705)</u>
Capital expenditure		
Purchase of tangible fixed assets	<u>(2,229)</u>	-
Net cash outflow for capital expenditure	<u>(2,229)</u>	<u>-</u>

ANANDA TRAVEL (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 APRIL 2002 TO 31 DECEMBER 2002

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.02 £	Cash flow £	At 31.12.02 £
Net cash:			
Cash at bank and in hand	6,607	(3,585)	3,022
Bank overdraft	<u>-</u>	<u>(3,434)</u>	<u>(3,434)</u>
	<u>6,607</u>	<u>(7,019)</u>	<u>(412)</u>
 Total	 <u>6,607</u>	 <u>(7,019)</u>	 <u>(412)</u>
 Analysed in Balance Sheet			
Cash at bank and in hand	6,607		3,022
Bank overdraft	<u>-</u>		<u>(3,434)</u>
	<u>6,607</u>		<u>(412)</u>

ANANDA TRAVEL (UK) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2002 TO 31 DECEMBER 2002

1. ACCOUNTING POLICIES

Going Concern

The financial statements have been prepared on a going concern basis, the validity of which depends upon the continued support of the the Parent Company. In the event that the company could not continue on a going concern basis then adjustments would have to be made to reduce the value of assets to their recoverable amounts, provide for any further liabilities that might arise and to reclassify fixed assets as current assets.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents amounts received or receivable from travel services during the year.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer Equipment	- 20% on cost
Fixtures and Fittings	- 10% on cost
Office Equipment	- 10% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. STAFF COSTS

	Period 1.4.02 to 31.12.02 £	Year Ended 31.3.02 £
Wages and salaries	82,563	128,664
Social security costs	<u>7,517</u>	<u>12,020</u>
	<u>90,080</u>	<u>140,684</u>

The average monthly number of employees during the period was as follows:

	Period 1.4.02 to 31.12.02	Year Ended 31.3.02
Office and Management	<u>6</u>	<u>6</u>

ANANDA TRAVEL (UK) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2002 TO 31 DECEMBER 2002****3. OPERATING LOSS**

The operating loss is stated after charging:

	Period 1.4.02 to 31.12.02 £	Year Ended 31.3.02 £
Depreciation - owned assets	2,433	3,094
Auditors' remuneration	<u>2,880</u>	<u>3,500</u>
Directors' emoluments	<u>-</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1.4.02 to 31.12.02 £	Year Ended 31.3.02 £
Bank Overdraft Interest	227	67
Profit on Foreign Exchange	<u>738</u>	<u>640</u>
	<u>965</u>	<u>707</u>

5. TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the period ended 31 December 2002 nor for the year ended 31 March 2002.

6. TANGIBLE FIXED ASSETS

	Computer Equipment	Fixtures and Fittings	Office Equipment	Totals
	£	£	£	£
COST:				
At 1 April 2002	9,533	13,536	6,771	29,840
Additions	<u>2,229</u>	<u>-</u>	<u>-</u>	<u>2,229</u>
At 31 December 2002	<u>11,762</u>	<u>13,536</u>	<u>6,771</u>	<u>32,069</u>
DEPRECIATION:				
At 1 April 2002	7,951	6,959	3,294	18,204
Charge for period	<u>936</u>	<u>1,015</u>	<u>482</u>	<u>2,433</u>
At 31 December 2002	<u>8,887</u>	<u>7,974</u>	<u>3,776</u>	<u>20,637</u>
NET BOOK VALUE:				
At 31 December 2002	<u>2,875</u>	<u>5,562</u>	<u>2,995</u>	<u>11,432</u>
At 31 March 2002	<u>1,583</u>	<u>6,577</u>	<u>3,477</u>	<u>11,637</u>

ANANDA TRAVEL (UK) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2002 TO 31 DECEMBER 2002

**7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002 £	2002 £
Trade Debtors	8,107	1,204
Other Debtors	<u>9,676</u>	<u>1,306</u>
	<u>17,783</u>	<u>2,510</u>

**8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002 £	2002 £
Bank loans and overdrafts (see note 9)	3,434	-
Trade Creditors	33,791	29,684
Amounts Owed to Group Undertakings	277,428	247,371
Social Security & Other Taxes	5,735	6,309
Accruals and Deferred Income	<u>34,821</u>	<u>10,459</u>
	<u>355,209</u>	<u>293,823</u>

9. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2002 £	2002 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>3,434</u>	<u>-</u>

10. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002 £	2002 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002 £	2002 £
2	Ordinary	£1	<u>2</u>	<u>2</u>

11. ULTIMATE PARENT COMPANY

The ultimate parent company is Ananda Wing On Travel (Holdings) Limited, a company incorporated in Bermuda. The Company's direct parent is Ananda Wing On Travel (BVI) Limited, a company incorporated in the British Virgin Islands.

ANANDA TRAVEL (UK) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2002 TO 31 DECEMBER 2002

12. TRANSACTIONS WITH DIRECTORS

During the year under review the Company traded with a Hong Kong based company, in which the Directors have an indirect interest. These transactions took place at a fair market value.

13. RELATED PARTY DISCLOSURES

Included within creditors at the balance sheet date is an amount of £277,428 (31 March 2002: £247,371) due to a fellow Subsidiary, in respect of funds utilised for working capital requirements.

During the period under review sales totalling £97,123 net of Value Added Tax, (31 March 2002 : £133,813) were made to Hong Kong Wing On Travel Service Limited at a commercial rate.

Included within Other Debtors at the Balance Sheet date is an amount due from a related company, Ananda Travel Service, Inc., of £5,248.

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2002 £
Loss for the financial period	<u>(49,903)</u>	<u>(66,457)</u>
Net reduction of shareholders' funds	(49,903)	(66,457)
Opening shareholders' funds	<u>(273,069)</u>	<u>(206,612)</u>
Closing shareholders' funds	<u>(322,972)</u>	<u>(273,069)</u>
Equity interests	<u>(322,972)</u>	<u>(273,069)</u>