UNIQUE VACATIONS (UK) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JULY 2002

Company Registration Number 2355921



SHERIDAN BROOKS LIMITED
Chartered Accountants & Registered Auditors
176 Brighton Road
Coulsdon
Surrey
CR5 2NF

UNIQUE VACATIONS (UK) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2002

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UNIQUE VACATIONS (UK) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 JULY 2002

The directors present their report and the financial statements of the company for the year ended 31 July 2002.

PRINCIPAL ACTIVITIES

The company's principal activity continued to be an independent hotel representative marketing and promoting vacation tours, package tours and hotel accomodation.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 July 2002	At 1 August 2001 or later date of appointment
S Carey	–	–
Mrs P D Thompson (Bahamas)	–	–

Mrs P D Thompson (Bahamas) was appointed as a director on 28 February 2002.
M M Darville (Bahamas) retired as a director on 28 February 2002.

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 6 to 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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

A resolution to re-appoint Sheridan Brooks Limited as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY PROVISIONS

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

Registered office:
34-36 Ives Street
London
SW3 2ND

Signed by order of the directors

MRS. D. STEFANO
Company Secretary

Approved by the directors on 17 December 2002

UNIQUE VACATIONS (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 JULY 2002

We have audited the financial statements on pages 4 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on pages 6 to 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 1.

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. Our responsibilities do not extend to any other information.

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 31 July 2002 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



SHERIDAN BROOKS LIMITED
Chartered Accountants
& Registered Auditors

176 Brighton Road
Coulsdon
Surrey
CR5 2NF
17 December 2002

UNIQUE VACATIONS (UK) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JULY 2002

	Note	2002 £	2001 £
TURNOVER		**2,429,603**	2,743,180
Administrative expenses		**2,358,008**	2,766,507
OPERATING PROFIT/(LOSS)	**2**	**71,595**	(23,327)
Interest receivable		**706**	2,731
Interest payable		**(103)**	(3)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		**72,198**	(20,599)
Tax on profit/(loss) on ordinary activities		**29,368**	5,094
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		**42,830**	(25,693)
Balance brought forward		**(805,621)**	(779,928)
Balance carried forward		**(762,791)**	(805,621)

The notes on pages 6 to 8 form part of these financial statements.

UNIQUE VACATIONS (UK) LIMITED

BALANCE SHEET

31 JULY 2002

	Note	£	2002 £	£	2001 £
FIXED ASSETS					
Tangible assets	3		**199,414**		213,353
CURRENT ASSETS					
Debtors	4	**793,544**		369,352	
Cash at bank and in hand		**61,612**		48,937	
		855,156		418,289	
CREDITORS: Amounts falling due within one year	5	**744,440**		364,342	
NET CURRENT ASSETS			**110,716**		53,947
TOTAL ASSETS LESS CURRENT LIABILITIES			**310,130**		267,300
CREDITORS: Amounts falling due after more than one year	6		**1,072,821**		1,072,821
			(762,691)		(805,521)
CAPITAL AND RESERVES					
Called-up equity share capital	9		**100**		100
Profit and Loss Account			**(762,791)**		(805,621)
DEFICIENCY			**(762,691)**		(805,521)

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 17 December 2002 and are signed on their behalf by:

S CAREY



The notes on pages 6 to 8 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

Turnover represents the total value of services rendered during the year.

Turnover has been derived form its continuing principal activity wholly attributable to activities carried on in the United States of America and the Caribbean.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor Vehicles	-	25% reducing balance
Equipment	-	25% reducing balance

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

* provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

* provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

* deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1. ACCOUNTING POLICIES *(continued)*

Going concern

In the light of the assurances described below, the directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

The holding company, Unique Vacations S.A., has provided written assurances that it will maintain ongoing support to the company which will allow the company to continue in operational existence for the foreseeable future.

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2002	2001
	£	£
Directors' emoluments	–	–
Staff pension contributions	9,943	11,479
Depreciation	62,754	64,020
Loss on disposal of fixed assets	8,846	–
Auditors' fees	3,600	3,600

3. TANGIBLE FIXED ASSETS

	Motor Vehicles	Equipment	Total
	£	£	£
COST			
At 1 August 2001	224,556	186,781	411,337
Additions	59,304	7,620	66,924
Disposals	(13,440)	(92,898)	(106,338)
At 31 July 2002	270,420	101,503	371,923
DEPRECIATION			
At 1 August 2001	99,320	98,664	197,984
Charge for the year	39,987	22,767	62,754
On disposals	(11,422)	(76,807)	(88,229)
At 31 July 2002	127,885	44,624	172,509
NET BOOK VALUE			
At 31 July 2002	142,535	56,879	199,414
At 31 July 2001	125,236	88,117	213,353

4. DEBTORS

	2002	2001
	£	£
Amounts owed by group undertakings	228,730	278,749
Other debtors	564,814	90,603
	793,544	369,352

5. CREDITORS: Amounts falling due within one year

	2002	2001
	£	£
Bank loans and overdrafts	43,690	34,130
Trade creditors	150,646	300,336
Amounts owed to group undertakings	473,226	–
Corporation tax	24,274	5,094
Other taxation and social security	26,206	–
Other creditors	26,398	24,782
	744,440	364,342

6. CREDITORS: Amounts falling due after more than one year

	2002	2001
	£	£
Amounts owed to group undertakings	1,072,821	1,072,821

7. COMMITMENTS UNDER OPERATING LEASES

At 31 July 2002 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2002	2001
	£	£
Operating leases which expire:		
After more than 5 years	257,000	66,150

8. RELATED PARTY TRANSACTIONS

The company's immediate parent undertaking is Unique Vacations S.A. a.company incorporated in panama.

In the directors opinion, the company's ultimate controlling parties are the controlling parties of Unique Vacations S.A who are not known to the directors of Unique Vacations (UK) Limited.

Under the terms of FRS8 the company has taken advantage of the exemption not to disclose fellow transactions with any company which qualifies as a 90% subsidiary.

9. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
1,000 Ordinary shares of £1 each	1,000	1,000

Allotted, called up and fully paid:

	2002	2001
	£	£
Ordinary share capital	100	100