

FALCON TRAVEL
DOHA - QATAR
FINANCIAL STATEMENTS 31. MARCH 2001
TOGETHER WITH AUDITORS REPORT

KHALID AL-AMOUDI

ACCOUNTING & AUDITING

Chartered Accountants



خالد العمودي

المحاسبية والتدقيق

المحاسبون المتمدنون

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Chartered Accountants



خالد العمودي للمحاسبة والتدقيق
محاسبون قانونيون

AUDITORS' REPORT

TO THE PROPRIETOR OF FALCON TRAVEL
DOHA - QATAR

We have audited the financial statements, set out on pages (2) to (4), of FALCON TRAVEL (a sole proprietorship, registered in the State of Qatar), for the year ended 31st March 2001.

Respective Responsibilities of the Management and Auditors

These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respect, the financial position of FALCON TRAVEL as at 31st March 2001, and the results of its operations and its cash flows for the year then ended, in accordance with International Accounting Standards. Furthermore, in conformity with the accounting policies as described in note (2) to the financial statements.

KHALID AL-AMOUDI ACCOUNTING & AUDITING

(Signature)

KHALID SAIED AL-AMOUDI
Auditors' registration No. (12)

Doha, at: 29 May 2001

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EXH(A)

FALCON TRAVEL
DOHA, QATAR
BALANCE SHEET AS AT MARCH 31, 2003
(Amounts are expressed in Qatari Riyals)

Assets employed	Note	31/3/2003
Fixed assets	3	117,155
Preliminary expenditure	4	115,171
Investments	5	333,838
Current assets		
Inventories	6	550
Accounts receivable and prepayments	7	777,192
Bank balances and cash		4,628
		<u>782,368</u>
Current liabilities		
Accounts payable and accounts	8	798,144
Bank overdraft		534,238
		<u>1,332,382</u>
Net current assets		<u>(550,016)</u>
Total assets		<u>16,148</u>
Funds employed		
Capital		300,000
proprietor's current account		(153,430)
Retained earnings		(130,422)
		<u>16,148</u>

"The accompanying Notes Form an Integral Part of These Financial Statements"

PROPRIETOR



MANAGING DIRECTOR



EXH (B)

FALCON TRAVEL
DOHA - QATAR
STATEMENT OF INCOME FOR THE PERIOD ENDED
31st MARCH 2001
 (Amounts are expressed in Qatari Riyals.)

	Note	31/3/2001 12 Months
Income		1,254,592
Management remuneration		(74,000)
Less: Administration expenses	9	(1,208,928)
(Loss) from operations		(28,334)
Finance cost		(102,388)
Net loss for the period		(130,422)

"The accompanying Notes Form an Integral Part of These Financial Statements"

EXH.(C)

FALCON TRAVEL
DOHA - QATAR
CASH FLOW STATEMENT FOR THE YEAR ENDED
31st MARCH 2001
 (Amounts are expressed in Qatari Riyals)

	31/3/2001
Operating activities	
Net (loss) for the year	(130,432)
Adjustment for items not involving outlay of fund :	
Depreciation	29,288
Amortization of preliminary expenses	28,792
Interest expense	102,388
Operating profit before working capital changes :	30,046
Decrease (increase) in inventories	(550)
Increase in accounts receivable and prepayments	(777,142)
(Decrease) increase in accounts payable and accruals	798,144
Bank overdraft	534,238
Cash from operating activities	584,736
Interest paid	(102,388)
Net cash from operating activities	482,348
Investing activities	
Purchase of fixed assets	(140,443)
Investment	(333,838)
Preliminary expenditure	(143,963)
Net cash(used in) from investing activities	(624,244)
Financing activities	
Capital	300,000
Proprietor's current account	(153,430)
Net cash from (used in) financing activities	146,570
Net increase in cash and bank balances	4,674
Cash and bank balances at the beginning of the year	
Cash and bank balances at the end of the year	4,674

"The accompanying Notes Form an integral Part of These Financial Statements"

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FALCON TRAVEL
DOHA - QATAR
NOTES TO THE FINANCIAL STATEMENTS
(Amounts are expressed in Qatari Rials)

1. LEGAL STATUS, ACTIVITIES AND CAPITAL

The proprietorship is registered in Qatar as a sole proprietorship under commercial registration No. 21271 dated 24/2/1999 and valid up to 24/2/2004.

The proprietorship is engaged in sale of all international air lines tickets, hotel booking and car rents.

The registered capital is QR 300,000.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Accounting Standards. The significant accounting policies adopted are as follows:

A - ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention.

B - FIXED ASSETS

Fixed assets are initially recorded at cost.

C - DEPRECIATION

The cost of fixed assets is depreciated by equal annual installments over the estimated useful lives of the assets with the following rates:

The estimated useful lives of the assets for the calculation of depreciation are as follows:

Air conditions	10%
Motor vehicles	10%
Furniture	10%
Office equipments	10%

D - PRELIMINARY EXPENDITURE

Preliminary expenses are to be amortized over five years.

E - FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of income.

F- FINANCIAL INSTRUMENT

Financial instruments represent balance sheet items. On- balance financial instruments comprise (long and short-term) investments, receivables deposits, cash, payables and certain other assets and liabilities.

3) FIXED ASSETS

	Air condition	Office equipment	Motor vehicles	Furniture	Total
Cost:					
At 1.1.1999	26,200	23,721	29,200	68,322	146,443
At 31.3.2001	26,200	23,721	29,200	68,322	146,443
Depreciation					
At 1.1.1999	-	-	-	-	-
Charge of the year	5,240	4,544	5,840	13,664	29,288
At 31.3.2001	5,240	4,544	5,840	13,664	29,288
Net book value at 31.3.2001	20,960	18,177	23,360	54,658	117,155

4) PRELIMINARY EXPENDITURE

	31/3/2001
Preliminary expenditure	143,963
Less: amortisation	(28,792)
	<u>115,171</u>

5) INVESTMENTS

Wood side travel trust	18,250
Jurassic park project	315,508
	<u>333,838</u>

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6) INVENTORIES

31/3/2001

Departure tax coupons (25 nos)	500
International driving license (1 nos)	50
	<u>550</u>

7) ACCOUNTS RECEIVABLE AND PREPAYMENTS

Trade accounts receivable	609,655
Jurassic park	144,714
Deposits	11,000
Prepayments	11,773
	<u>777,142</u>

8) ACCOUNTS PAYABLE AND ACCRUALS

Trade accounts and notes payable	692,043
Other payables	83,801
Accrued expenses	22,300
	<u>798,144</u>

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2) ADMINISTRATION EXPENSES

31/3/2001

Wages and salaries	314,074
Depreciation	29,288
Repairs and maintenance	14,648
Telex and telephone	58,184
Water and electricity	16,167
Advertisement	39,837
Insurance	500
Rent - office building and villa	199,500
Printing and stationary	24,718
Other expenses	7,765
Bank charges	30,483
Amortization	28,793
Travelling expenses	21,338
Visa and immigration expenses	18,560
IATA processing fees	3,483
Rental charges for computers H/W	41,470
Discount on sales	543,460
Subscriptions	16,356
	<u>1,208,928</u>