

SKYMEAD MAINTENANCE LIMITED

COMPANY REGISTRATION NUMBER: 941213

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

31 DECEMBER 2001



SKYMEAD MAINTENANCE LIMITED

DIRECTORS' REPORT

The directors submit their report together with the audited financial statements of the Company for the year ended 31 December 2001.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2001 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and 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.

DIRECTORS AND DIRECTORS' INTERESTS IN SHARES

The directors of the Company during the year were as follows:-

N J Fisk (appointed 1 February 2002)
A K Hatton (appointed 1 January 2001)
A Hunter (appointed 1 October 2001, resigned 8 March 2002)
R Hussey (appointed 12 March 2002)
F Stratford (resigned 1 October 2001)
S R Woods (resigned 1 February 2001)

No director had any interest in the shares of the company or the group.

A K Hatton, R Hussey and N J Fisk are also directors of Britannia Airways Limited.

PRINCIPAL ACTIVITY

The Company did not trade and only received interest during the year.

SKYMEAD MAINTENANCE LIMITED

DIRECTORS' REPORT(continued)

DIVIDENDS AND TRANSFERS TO RESERVES

No dividends were paid or proposed in the year. The profit of £33,000 (2000: profit £40,000) has been transferred to reserves.

AUDITORS

A resolution in accordance with section 386 of the Companies Act 1985 to dispense with the obligation to appoint auditors annually was passed on 8 January 1997. Accordingly, PricewaterhouseCoopers shall be deemed reappointed as auditors.

By Order of the Board



R STRONGMAN
Company Secretary

15th April 2002

London Luton Airport
Luton, Bedfordshire
LU2 9ND

SKYMEAD MAINTENANCE LIMITED

AUDITORS' REPORT TO THE MEMBERS OF SKYMEAD MAINTENANCE LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board.

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 United Kingdom Companies Act. 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 is not disclosed.

BASIS OF AUDIT 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 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 at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the United Kingdom Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Milton Keynes

15th April, 2002

SKYMEAD MAINTENANCE LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2001**

	<u>Notes</u>	<u>2001</u>	<u>2000</u>
		£000s	£000s
Interest receivable		47	53
		-----	-----
Profit on ordinary activities before taxation	3	47	53
taxation on ordinary activities	5	(14)	(13)
		-----	-----
Profit on ordinary activities after taxation and retained profit for the year	9	33	40
		-----	-----

The Company has no recognised gains or losses attributable to the Shareholder other than its profit for the years as disclosed above. All results relate to continuing activities.

SKYMEAD MAINTENANCE LIMITED

BALANCE SHEET AT 31 DECEMBER 2001

	<u>Notes</u>	<u>2001</u>	<u>2000</u>
		£000s	£000s
Current assets			
Debtors	6	996	979
		-----	-----
Creditors - Amounts falling due within one year	7	(14)	(30)
		-----	-----
Total assets less current liabilities		982	949
		-----	-----
Capital and reserves			
Called up share capital	8	-	-
Reserves	9	982	949
		-----	-----
Shareholder's funds	10	982	949
		-----	-----

The financial statements on pages 4 to 8 were approved by the Board of 15th April 2002 and were signed on its behalf by:


R HUSSEY
Director

SKYMEAD MAINTENANCE LIMITED
NOTES TO THE ACCOUNTS - 31 DECEMBER 2001

1) ACCOUNTING POLICIES

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

2) CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The Company is a wholly-owned subsidiary of Britannia Airways Ltd and is included in the consolidated financial statements of TUI Northern Europe Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the TUI Northern Europe Limited.

3) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The auditors' remuneration has been borne by a fellow group undertaking.

4) DIRECTORS' EMOLUMENTS AND EMPLOYEES

The directors are paid by other group undertakings and no part of their remuneration is in relation to their services to the Company.

The Company had no employees other than the directors (2000: Nil).

5) TAXATION

The charge for taxation based on the profit for the year at 30% (2000: 30%) comprises:

	<u>2001</u>	<u>2000</u>
	£000s	£000s
Group relief	14	16
Prior year tax refund	-	(3)
	-----	-----
	14	13

6) DEBTORS

	<u>2001</u>	<u>2000</u>
	£000s	£000s
Amounts due from group undertakings	996	979
	-----	-----

Amounts due from group undertakings accrue interest at current market rates.

SKYMEAD MAINTENANCE LIMITED**NOTES TO THE ACCOUNTS - 31 DECEMBER 2001 (CONTINUED)**

- 7) **CREDITORS** - Amounts falling due within one year:

	<u>2001</u>	<u>2000</u>
	£000s	£000s
Group relief	14	30
	-----	-----

- 8) **CALLED UP SHARE CAPITAL**

	<u>2001</u>	<u>2000</u>
	£	£
Authorised, issued and fully paid: 100 Ordinary Shares of £1 each	100	100
	-----	-----

- 9) **RESERVES**

	<u>2001</u>
	£000s
Balance at 1 January	949
Profit for the financial year	33

Balance at 31 December	982

- 10) **RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	<u>2001</u>	<u>2000</u>
	£000s	£000s
Profit for the financial year attributable to the shareholder	33	40
Shareholder's funds at the start of the year	949	909
	-----	-----
Shareholder's funds at the end the of year	982	949
	-----	-----

SKYMEAD MAINTENANCE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2001 (CONTINUED)

11) ULTIMATE PARENT UNDERTAKING

Within the meaning of the Companies Act 1985 Preussag AG is regarded by the directors of the company as being the company's ultimate parent company. Within the meaning of the said Act Preussag AG is the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member and TUI Northern Europe Limited is the parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the company is a member. Preussag AG is incorporated under the laws of Germany. TUI Northern Europe Limited ("TUI NE") is registered in England and Wales.

Copies of Preussag's accounts are available from: Investor Relations, Preussag AG Karl-Wiechert-Allee 4, D-30625 Hanover or on the Preussag website address: www.preussag.de

Copies of TUI NE's accounts are available from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.