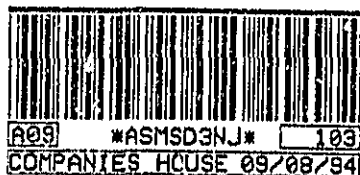


JETSAVE TRAVEL LIMITED

Report and Financial Statements

31 December 1993

**Touche Ross & Co.
Hill House
1 Little New Street
London EC4A 3TR**



REPORT AND FINANCIAL STATEMENTS 1993

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Auditors' report	5
Consolidated profit and loss account	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the accounts	10

REPORT AND FINANCIAL STATEMENTS 1993

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J W Teets (USA)

C D Smart

M Johnson

J L Standley

J Gilbert

N A Rago (USA) Appointed 29 September 1993

SECRETARY

M Johnson

REGISTERED OFFICE

Sussex House
London Road
East Grinstead
West Sussex
RH19 1LD

AUDITORS

Touche Ross & Co.
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1993.

ACTIVITIES

The group is principally engaged in the arranging of inclusive tour holidays in the long haul market and European ski market.

RESULTS FOR THE YEAR AND TRANSFERS FROM RESERVES

The profit for the financial year, as shown in the profit and loss account, amounted to £592,000 (1992 - £1,220,000). An interim dividend of £300,000 (1992 - £1,260,000) has been paid and the directors recommend payment of a final dividend of £500,000 (1992 - £300,000). The retained loss for the financial year of £208,000 (1992 - loss of £340,000) has been transferred from reserves.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors are confident that the group is well placed to take advantage of future market opportunities.

DIRECTORS

The present membership of the Board is set out on page 1. In addition G G Zwick (USA) served throughout the year until his resignation on 29 September 1993.

None of the directors had any interests in the share capital of the company or in any other group company incorporated in the United Kingdom.

FIXED ASSETS

The movements in fixed assets during the year are set out in notes 11 and 12 to the accounts.

DISABLED PERSONS

It is the policy of the group to give full and fair consideration to suitable applications for employment by disabled persons. Opportunities also exist for employees who become disabled to continue in their employment where feasible, or to be trained for other positions within the company. The company does not discriminate against disabled persons in respect of the selection of employees for promotion and career development, although account is taken of the suitability of candidates for the positions available.

EMPLOYEE INVOLVEMENT

During the year the company involved employees in the management of the business. This was carried out, in particular, by giving regular briefings to managers on financial performance, future plans and other issues of importance.

DIRECTORS' REPORT

DONATIONS

During the year the group made donations for charitable purposes of £nil (1992 - £150).

AUDITORS

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



M Johnson

Secretary

2 August 1994

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 the Group as at the end of the financial year and of the profit or loss of the Group 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;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the Group and for the prevention and detection of fraud and other irregularities.

Touche Ross



Chartered Accountants

Touche Ross & Co
Hill House
1 Little New Street
London EC4A 3TR

Telephone National 071 936 3000
International +44 71 936 3000
Telex 884739 TRL NUN G
Fax (Gp 3) 071 583 8517
LDF DX 599

JETSAVE TRAVEL LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 6 to 21 which have been prepared under the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 4 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 and the Group'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 affairs of the Company and the Group as at 31 December 1993 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and
Registered Auditors

5 August 1994

**Deloitte Touche
Tohmatsu
International**

Aberdeen, Bath, Belfast, Birmingham, Bournemouth, Bracknell, Bristol, Cambridge, Cardiff,
Coleraine, Crawley, Dartford, Edinburgh, Glasgow, Leeds, Leicester, Liverpool, London,
Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham and Southampton

Principal place of business at which a list of partners' names is available
Peterborough Court, 133 Fleet Street, London EC4A 3TR

Authorized by the Institute of Chartered Accountants in England and Wales to carry on
investment business

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 December 1993

	Note	£'000	1993 £'000	1992 £'000
TURNOVER				
Continuing operations		77,457		
Acquisitions		<u>4,049</u>		
Total turnover	2		81,506	76,441
Cost of sales	4		<u>(73,423)</u>	<u>(68,208)</u>
Gross profit			8,083	8,240
Administrative expenses	4		(7,933)	(7,554)
Other operating income	4		189	232
Other operating charges	4		<u>(262)</u>	<u>(373)</u>
OPERATING PROFIT				
Continuing operations		6		
Acquisitions		<u>71</u>		
Total operating profit	6		77	545
Interest receivable and similar income			866	1,189
Interest payable and similar charges	7		<u>(177)</u>	<u>(135)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			766	1,599
Tax on profit on ordinary activities	8		<u>(174)</u>	<u>(379)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			592	1,220
Dividends	9		<u>(800)</u>	<u>(1,560)</u>
RETAINED LOSS, transferred from reserves			<u>(208)</u>	<u>(340)</u>

There are no recognised gains and losses for the current financial year and preceding financial year other than as stated in the profit and loss account.

CONSOLIDATED BALANCE SHEET
31 December 1993


	Note	1993 £'000	1992 £'000
FIXED ASSETS			
Tangible assets	11	712	767
CURRENT ASSETS			
Stocks	13	5	12
Debtors	14	25,320	22,891
Cash at bank and in hand		6,865	1,558
		32,190	24,461
CREDITORS: amounts falling due within one year	15	27,873	21,653
NET CURRENT ASSETS		4,317	2,808
TOTAL ASSETS LESS CURRENT LIABILITIES		5,029	3,575
CREDITORS: amounts falling due after more than one year	16	-	24
		5,029	3,551
CAPITAL AND RESERVES			
Called up share capital	17	215	23
Profit and loss account	18	5,374	5,582
Consolidation reserve	18	(560)	(2,054)
		5,029	3,551

These financial statements were approved by the Board of Directors on 2 August 1994.

Signed on behalf of the Board of Directors


M Johnson

Director


C D Smart

Director

COMPANY BALANCE SHEET
31 December 1993

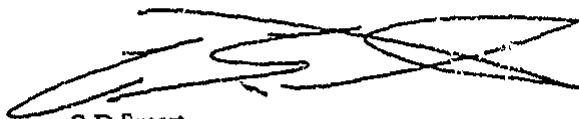
	Note	1993 £'000	1992 £'000
FIXED ASSETS			
Tangible assets	11	-	323
Investments	12	3,582	3,390
		<u>3,582</u>	<u>3,713</u>
CURRENT ASSETS			
Stocks	13	-	2
Debtors	14	2,357	6,898
Cash at bank and in hand		-	453
		<u>2,357</u>	<u>7,353</u>
CREDITORS: amounts falling due within one year	15	99	4,893
NET CURRENT ASSETS		<u>2,258</u>	<u>2,460</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,840</u>	<u>6,173</u>
CAPITAL AND RESERVES			
Called up share capital	17	215	23
Profit and loss account	18	5,625	6,150
		<u>5,840</u>	<u>6,173</u>

These financial statements were approved by the Board of Directors on 2 August 1994.

Signed on behalf of the Board of Directors



M Johnson
Director



C D Smart
Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 1993

	Note	1993 £'000	1992 £'000
Net cash inflow/(outflow) from operating activities	20	2,050	(3,633)
Returns on investments and servicing of finance			
Interest received		866	1,189
Interest paid		(177)	(135)
Ordinary dividends paid		(800)	(1,560)
Net cash outflow from returns on investments and servicing of finance		(111)	(506)
Taxation			
Corporation tax repaid		152	-
Corporation tax paid		(672)	(11)
Tax paid (net)		(520)	(11)
Investing activities			
Purchase of tangible fixed assets		(217)	(264)
Purchase of subsidiary undertaking	25	14	-
Disposal of tangible fixed assets		11	18
Net cash outflow from investing activities		(192)	(246)
Net cash inflow/(outflow) before financing		1,227	(4,396)
Financing			
Capital element of hire purchase agreements		(43)	(71)
Net cash outflow from financing		(43)	(71)
Increase/(decrease) in cash and cash equivalents	21	1,184	(4,467)

NOTES TO THE ACCOUNTS
Year ended 31 December 1993

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The group's financial statements consolidate the financial statements for the year ended 31 December 1993 of the parent company and all subsidiaries. Goodwill arising on consolidation is written off directly to reserves.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Short-term leasehold improvements	Lesser of unexpired term of lease or expected life of leasehold buildings and fittings
Plant and fixtures	Between 3 and 10 years

Investments

Shares in group companies are stated at cost less any provision for permanent diminution in value.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at average rates. Amounts receivable and payable in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences are dealt with in the profit and loss account.

Pension costs

The expected costs of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

Forward seasons expenditure

Expenditure on marketing costs relating to future seasons is carried forward as part of prepayments and charged against the revenue of the relevant season.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual instalments over the period of the lease.

NOTES TO THE ACCOUNTS

Year ended 31 December 1993

2. TURNOVER

Turnover represents the gross value of flights and holidays which have departed in the accounting period.

In the opinion of the directors, provision of additional segmental information as required by Statement of Standard Accounting Practice No.25 would be seriously prejudicial to the interests of the group. The information has therefore not been disclosed as permitted by Paragraph 55(5) of Schedule 4 to the Companies Act 1985.

3. ACQUISITIONS AND GOODWILL

100% of the issued share capital of Jetsave Limited and Greyhound World Travel Limited were acquired from the ultimate parent company on 23 April 1993 in exchange for the issue of 191,800 £1 ordinary shares. The acquisition reserve arising as a result of these acquisitions amounted to £1,554,465. The profit after taxation of Greyhound World Travel Limited for the year ended 31 December 1992 amounted to £349,459. Jetsave Limited had not traded for a number of years.

100% of the issued share capital of Jetsave Transatlantic Limited was acquired from the ultimate parent company on 23 April 1993 for a total consideration of £1. The goodwill arising as a result of the acquisition amounted to £59,782 and has been written off directly to reserves. Jetsave Transatlantic Limited had not traded for a number of years.

There were no adjustments made to the book value of the assets and liabilities acquired. The cash flow effects of the acquisitions are given in note 24.

4. ANALYSES OF CONTINUING OPERATIONS AND ACQUISITIONS

	1993 Continuing operations £'000	1993 Acquisitions £'000	1993 Total £'000	1992 Total £'000
Cost of sales	(70,001)	(3,422)	(73,423)	(68,201)
Administrative expenses	(7,444)	(489)	(7,933)	(7,554)
Other operating income/(expense)	254	(65)	189	232
Other operating charges	(260)	(2)	(262)	(373)

NOTES TO THE ACCOUNTS
Year ended 31 December 1993

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1993 £'000	1992 £'000
Directors' emoluments		
Fees	-	-
Other remuneration	287	583
	<u>287</u>	<u>583</u>
Remuneration of the Chairman and highest paid director	93	179
	<u>93</u>	<u>179</u>
Scale of other directors' remuneration	No	No
£ 50,001 - £ 55,000	1	1
£ 65,001 - £ 70,000	2	1
£ 110,001 - £ 115,000	-	1
£ 145,001 - £ 150,000	-	1
	<u>-</u>	<u>1</u>
The other three directors carried out all their duties outside the United Kingdom.		
Average number of persons employed		
Sales and marketing	77	73
Administration	104	104
	<u>181</u>	<u>177</u>
Staff costs during the year (including directors)	£'000	£'000
Wages and salaries	2,772	3,044
Social security costs	250	231
Pension costs	211	221
	<u>3,233</u>	<u>3,496</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1993

6. OPERATING PROFIT

	1993 £'000	1992 £'000
Operating profit is after charging/(crediting):		
Depreciation	262	373
Rentals under operating leases		
Hire of plant and machinery	188	63
Other operating leases	313	415
Loss on sale of tangible fixed assets	4	4
Auditors' remuneration		
Audit fees	74	59
Other services	91	48
Exchange loss/(gain)	173	(348)
	<hr/>	<hr/>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	1993 £'000	1992 £'000
Bank loans, overdrafts and other loans repayable within five years	177	114
Finance charges on hire purchase contracts	-	21
	<hr/>	<hr/>
	177	135
	<hr/>	<hr/>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1993 £'000	1992 £'000
United Kingdom corporation tax at 33% (1992 - 33%) based on the profit for the year	260	557
Adjustments to prior years' tax provisions	(86)	(178)
	<hr/>	<hr/>
	174	379
	<hr/>	<hr/>

9. DIVIDENDS

	1993 £'000	1992 £'000
Interim dividend paid of £1.40 per share (1992 - £54.78)	300	1,260
Final dividend paid of £2.33 per share (1992 - £13.05)	500	300
	<hr/>	<hr/>
	800	1,560
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
Year ended 31 December 1993

10. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of those accounts. The parent company's profit for the financial year amounted to £275,000 (1992 - £1,374,000).

11. TANGIBLE FIXED ASSETS

Group	Short-term leasehold improvements £'000	Plant and fixtures £'000	Total £'000
Cost			
At 1 January 1993	53	2,035	2,088
Subsidiary acquired	-	25	25
Additions	-	217	217
Disposals	(50)	(555)	(605)
At 31 December 1993	3	1,722	1,725
Accumulated depreciation			
At 1 January 1993	53	1,268	1,321
Charge for the year	-	262	262
Subsidiary acquired	-	20	20
Disposals	(50)	(540)	(590)
At 31 December 1993	3	1,010	1,013
Net book value			
At 31 December 1993	-	712	712
At 31 December 1992	-	767	767

NOTES TO THE ACCOUNTS
Year ended 31 December 1993

11. TANGIBLE FIXED ASSETS (continued)

Company	Short-term leasehold improvements £'000	Plant and fixtures £'000	Total £'000
Cost			
At 1 January 1993	53	1,276	1,329
Transfer to subsidiary	(53)	(1,276)	(1,329)
At 31 December 1993	-	-	-
Accumulated depreciation			
At 1 January 1993	53	953	1,006
Transfer to subsidiary	(53)	(953)	(1,006)
At 31 December 1993	-	-	-
Net book value			
At 31 December 1993	-	-	-
At 31 December 1992	-	323	323

12. INVESTMENTS HELD AS FIXED ASSETS

Company	£'000
At 1 January 1993	3,390
Additions	192
At 31 December 1993	3,582

Information regarding investments

All subsidiaries are unlisted and are registered in England and Wales. The holdings are as follows:

	Class of shares	% directly owned by Jetsave Travel Limited at 31 December 1993	Class of business
Jetsave Limited	£1 ordinary shares	100%	Tour operator
Jetsave Transatlantic Limited	£1 ordinary shares	100%	Tour operator
Crystal Holidays Limited	£1 ordinary shares	100%	Tour operator
Charles Grimsey Associates Limited	£1 ordinary shares	100%	Advertising and design
Greyhound World Travel Limited	£1 ordinary shares	100%	Dormant



NOTES TO THE ACCOUNTS

Year ended 31 December 1993

13. STOCKS

Stocks comprise mainly travel vouchers for resale. Their replacement value is estimated to be the same as their book value.

14. DEBTORS

	Group		Company	
	1993	1992	1993	1992
	£'000	£'000	£'000	£'000
Trade debtors	6,593	7,580	-	397
Amounts owed by parent company	11,183	9,119	-	4,739
Amounts owed by fellow subsidiaries	495	516	1,995	632
Other debtors	1,077	977	275	328
Prepayments and accrued income	5,541	4,323	-	597
Corporation tax recoverable	431	376	87	205
	<u>25,320</u>	<u>22,891</u>	<u>2,357</u>	<u>6,898</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	1993	1992	1993	1992
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	5,901	1,778	-	243
Trade creditors	4,426	3,111	-	1,322
Amounts owed to fellow subsidiaries	773	688	-	729
Hire purchase	29	48	-	-
Other creditors	289	80	-	80
Taxation and social security	483	529	99	347
Accruals and deferred income	15,972	15,419	-	2,172
	<u>27,873</u>	<u>21,653</u>	<u>99</u>	<u>4,893</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	1993	1992	1993	1992
	£'000	£'000	£'000	£'000
Hire purchase	-	24	-	-

NOTES TO THE ACCOUNTS
Year ended 31 December 1993

17. CALLED UP SHARE CAPITAL

	1993 £'000	1992 £'000
Authorised		
214,800 (1992 - 50,000) ordinary shares of £1 each	215	50
Called up, allotted and fully paid		
214,800 (1992 - 23,000) ordinary shares of £1 each	215	23

On 23 April 1993 the authorised share capital was increased by £164,800 to £214,800 comprising 214,800 ordinary shares of £1 each.

On 23 April 1993 191,800 ordinary shares of £1 each were issued at par in exchange for the entire share capital of Greyhound World Travel Limited and Jetsave Limited.

18. RESERVES

	Group £'000	Company £'000
Profit and loss account		
Balance at 1 January 1993	5,582	6,150
Retained loss for the year	(208)	(525)
Balance at 31 December 1993	5,374	5,625
	Goodwill write-off reserve	Acquisition reserve
Consolidation reserve	Total £'000	£'000
Balance at 1 January 1993	(2,054)	(2,054)
Arising on acquisitions	1,494	(60)
Balance at 31 December 1993	(560)	1,554



NOTES TO THE ACCOUNTS
Year ended 31 December 1993

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	1993	1992	1993	1992
	£'000	£'000	£'000	£'000
Profit for the financial year	592	1,220	275	1,374
Dividends	(800)	(1,560)	(800)	(1,560)
	(208)	(340)	(525)	(186)
New share capital subscribed	192	-	192	-
Goodwill written-off	(60)	181	-	-
Reserve arising on acquisitions	1,554	-	-	-
Net addition to/(reduction in) shareholders' funds	1,478	(159)	(333)	(186)
Opening shareholders' funds	3,551	3,710	6,173	6,359
Closing shareholders' funds	5,029	3,551	5,840	6,173

20. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	1993	1992
	£'000	£'000
Operating profit	77	545
Depreciation	262	373
Loss on sale of fixed assets	4	2
Decrease in stock	7	7
Decrease/(increase) in debtors	679	(4,648)
Increase in creditors	1,021	88
Net cash inflow/(outflow) from operating activities	2,050	(3,633)

31. ANALYSIS OF CHANGES IN CASH AND EQUIVALENT DURING THE YEAR

	1993	1992
	£'000	£'000
Balance at 1 January	(220)	1,247
Net cash inflow/(outflow)	1,184	(4,467)
Balance at 31 December	964	(220)

NOTES TO THE ACCOUNTS
Year ended 31 December 1993

22. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1993 £'000	Change in year £'000	1992 £'000	Change in year £'000	1991 £'000
Cash at bank and in hand	6,865	5,307	1,558	(2,921)	4,479
Bank loan and overdrafts	(5,901)	(4,123)	(1,778)	(1,546)	(232)
	<u>964</u>	<u>1,184</u>	<u>(220)</u>	<u>(4,467)</u>	<u>4,247</u>

23. MAJOR NON-CASH TRANSACTIONS

Part of the consideration for the purchases of subsidiary undertakings during the year comprised shares. Further details of the acquisitions are set out below.

24. PURCHASE OF SUBSIDIARY UNDERTAKINGS

	1993 £'000	1992 £'000
Net assets acquired		
Tangible fixed assets	5	-
Debtors	3,053	-
Cash at bank and in hand	14	-
Creditors	(1,386)	-
	<u>1,686</u>	<u>-</u>
Acquisition reserve	(1,554)	-
Goodwill	60	-
	<u>192</u>	<u>-</u>
Satisfied by		
Shares allotted	192	-
Cash	-	-
	<u>192</u>	<u>-</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1993

25. ANALYSIS OF THE NET INFLOW OF CASH AND CASH EQUIVALENTS IN RESPECT OF THE PURCHASE OF SUBSIDIARY UNDERTAKINGS

	1993 £'000	1992 £'000
Cash consideration	-	-
Cash at bank and in hand acquired	14	-
	<hr/>	<hr/>
Net cash inflow of cash and cash equivalents in respect of the purchase of subsidiaries	14	-
	<hr/>	<hr/>

26. FUTURE COMMITMENTS

(a) Operating lease commitments

At 31 December 1993 the group was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings £'000	Other £'000
Leases which expire		
Within one year	-	112
Within 2 to 5 years	5	77
After 5 years	305	-
	<hr/>	<hr/>
	310	189
	<hr/>	<hr/>

(b) Forward currency commitments

Group

At 31 December 1993 the group had contracts to purchase foreign currency for £45,048,000 (1992 - £30,057,784) at future dates in order to pay liabilities not yet incurred.

Company

At 31 December 1993 the company had contracts to purchase foreign currency for £nil (1992 - £11,522,058) at future dates in order to pay liabilities not yet incurred.

NOTES TO THE ACCOUNTS
Year ended 31 December 1993

27. CONTINGENT LIABILITIES

	Group		Company	
	1993	1992	1993	1992
	£'000	£'000	£'000	£'000
Performance bonds	190	348	-	-
Bank guarantees	44	40	-	-
Balance at 31 December 1993	<u>234</u>	<u>388</u>	<u>-</u>	<u>-</u>

In addition the company has given cross guarantees in respect of overdrafts of certain subsidiary companies and fellow subsidiaries. The overdrafts at 31 December 1993 amounted to £3,816,754.

28. ULTIMATE PARENT COMPANY

The company's ultimate parent company is The Dial Corp., incorporated in the United States of America. Copies of the group financial statements are available from The Dial Corp., Dial Tower, Phoenix, Arizona 85077.

29. PENSION SCHEME

The group operates a defined benefit pension scheme for all qualified employees. The assets of the scheme are held in separate trustee administered funds. The scheme is subject to triennial valuation by independent actuaries, the last valuation being carried out as at 6 April 1993, using the projected unit method, in which the actuarial liability makes allowances for projected earnings. The following actuarial assumptions were applied:

Investment returns	9% per annum
Salary growth	7% per annum

At the last actuarial valuation date, the market value of the assets of the scheme was £990,986 and this actuarial value was sufficient to cover 101% of the benefits which had accrued to members, after allowing for expected future increases in earnings. The employer's contribution rate over the average remaining service lives of the members of the scheme takes account of the surplus disclosed by the valuation.