

REPORT OF THE AUDITORS TO B.H. TRAVEL SERVICES LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 6 together with the full accounts of B.H. Travel Services Limited for the year ended 31st December 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited accounts, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those accounts. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full accounts.

Opinion

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 of that Act in respect of the year ended 31st December 1995 and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 10th May 1996 we reported, as auditors of B.H. Travel Services Limited to the members on the accounts prepared under Section 226 of the Companies Act 1985 for the year ended 31st December 1995 and our audit report was as follows:-

"We have audited the accounts on pages 5 to 12 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.



REPORT OF THE AUDITORS TO B.H. TRAVEL SERVICES LIMITED (CONTINUED)
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

10th May 1996

3 Lorne Park Road
Bournemouth
BH1 1LD

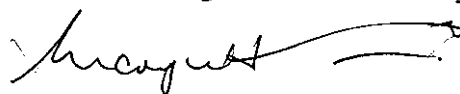

Prince, Croft & Ball
Chartered Accountants
Registered Auditor

B.H. TRAVEL SERVICES LIMITED**ABBREVIATED BALANCE SHEET AT 31ST DECEMBER 1995**

	<u>1995</u>	<u>1994</u>
	£	£
FIXED ASSETS		
Tangible assets	170,323	15,362
		<hr/>
CURRENT ASSETS		
Debtors	17,785	25,572
Cash at bank, building society and in hand	72,897	190,864
	<hr/>	<hr/>
	90,682	216,436
CREDITORS: amounts falling due within one year	189,997	150,669
	<hr/>	<hr/>
NET CURRENT (LIABILITIES) ASSETS	(99,315)	65,767
	<hr/>	<hr/>
	71,008	81,129
CREDITORS: amounts falling due after more than one year	7,437	-
	<hr/>	<hr/>
NET ASSETS	63,571	81,129
	<hr/>	<hr/>
CAPITAL AND RESERVES		
Called up share capital	100	100
Profit and loss account	63,471	81,029
	<hr/>	<hr/>
SHAREHOLDERS' FUNDS	63,571	81,129
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We have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 to deliver an abbreviated balance sheet and notes on the grounds that the company qualifies as small under Section 247 of that Act.

Approved by the board and signed on its behalf by:



Director M.M. Harris

8 Aug 1996 Date

The notes on pages 4 to 6 form part of these abbreviated accounts.

B.H. TRAVEL SERVICES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1995

1. ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The accounts are prepared under the historical cost convention and on the basis that the company can continue as a going concern. The company had net current liabilities at the balance sheet date and is dependent on the continued support of its bankers. The directors believe the bank is likely to support the company at a level adequate for the company's requirements.

b) DEPRECIATION

Depreciation is provided on all tangible fixed assets in use other than freehold land and buildings, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, calculated on a reducing balance/straight line basis, as follows:

Office furniture and equipment	15% p.a. on reducing balance
Computer system	33.3% p.a. on straight line
Fixtures and fittings	15% p.a. on reducing balance
Motor vehicles	25% p.a. on reducing balance

No depreciation is provided on the freehold property, as it is the company's practice to maintain this asset in a continual state of sound repair and accordingly the directors consider that the life of this asset is so long and the residual value (based on prices prevailing at the time of acquisition) so high, that its depreciation is insignificant. Any permanent diminution in the value of the property is charged to the profit and loss account as appropriate.

c) TURNOVER

Turnover represents the amounts derived from the provision of services falling within the company's ordinary activities, after deduction of value added tax, and excluding sales of fixed assets. All turnover related to foreign residents travelling in the United Kingdom and Europe.

d) FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising in the ordinary course of business are included in arriving at the result before taxation.

e) DEFERRED TAXATION

No provision has been made for deferred taxation as, in the opinion of the directors, none is likely to become payable.

f) CASH FLOW STATEMENT

As permitted by Financial Reporting Standard No. 1 the company has not produced a cash flow statement on the grounds that it has satisfied the conditions exempting it as a small company.

B.H. TRAVEL SERVICES LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER 1995****1. ACCOUNTING POLICIES (CONTINUED)****g) FINANCE LEASES**

Where the company has entered into finance leases, the obligations to the lessor are shown as part of the borrowings and the rights in the corresponding assets are treated in the same way as owned fixed assets. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. The costs of operating leases are charged to the profit and loss account as they accrue.

2. TANGIBLE FIXED ASSETS

	<u>Total</u> £
Cost:	
1st January 1995	102,823
Additions	174,502
Disposals	(41,727)
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31st December 1995	235,598
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Depreciation:	
1st January 1995	87,461
On disposals	(39,232)
Provision for year	17,046
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31st December 1995	65,275
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Net book values:	
31st December 1995	170,323
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31st December 1994	15,362
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3. SHARE CAPITAL - CALLED UP SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
Authorised:		
Ordinary shares of £1 each	£100	£100
	<hr/>	<hr/>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	£100	£100
	<hr/>	<hr/>

B.H. TRAVEL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 1995

4. TRANSACTIONS INVOLVING DIRECTORS

a) On 24th November 1995 the company purchased from Mr. S.E. Barton and a former director the property they jointly owned at 30 Parkstone Road, Poole, Dorset. The purchase price of £130,000 exclusive of legal charges etc. represented the agreed current market value.

b) Up until 23rd November 1995 the company paid rent equally to Mr. S.E. Barton and the former director for the property at 30 Parkstone Road, Poole, Dorset. The charge of £12,587 represented the current market rental value.

5. DETAILS OF INDEBTEDNESS

The bankers hold as security a legal mortgage dated 24th November 1995 over the freehold property at 30 Parkstone Road, Poole, Dorset.