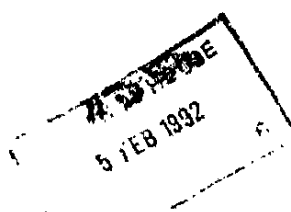


JETAIR (UK) LIMITEDPROFIT AND LOSS ACCOUNTFor the year ended 31st March 1991

	<u>Note</u>	<u>1991</u> £	<u>1990</u> £
Turnover	1(b)	1,834,532	2,256,340
Operating Costs		(452,368)	(562,822)
GROSS PROFIT		1,382,164	1,693,518
Administration costs		(1,747,905)	(1,148,586)
		(365,741)	544,932
Interest paid	3	(2,988)	(1,640)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(368,729)	543,292
Taxation	5	109,811	(172,137)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(258,918)	371,155
Extraordinary Items	6	(70,077)	(68,753)
(LOSS)/PROFIT FOR THE YEAR		(328,995)	302,402
Balance brought forward		278,535	68,133
		(50,460)	370,535
Capitalisation of funds		-	(92,000)
BALANCE CARRIED FORWARD	7	£ (50,460)	£ 278,535

The notes on Pages 8 to 17 form an integral part of these accounts.



JETAIR (UK) LIMITEDBALANCE SHEETAs at 31st March 1991

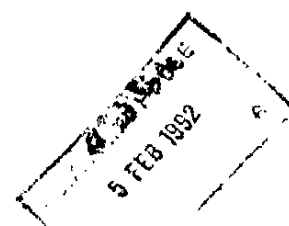
	<u>Note</u>	£	£	<u>1990</u>
FIXED ASSETS				
Tangible assets	8		351,111	351,897
Intangible assets	9		469,000	490,000
Investments	10		2	1
			<u>820,113</u>	<u>841,898</u>
CURRENT ASSETS				
Debtors	11	915,882		599,948
Bank and Cash Balances	16	809,056		1,988,792
		<u>1,724,938</u>		<u>2,588,740</u>
Creditors: Amounts falling due within one year	12	(1,985,331)		(2,814,947)
Net Current Liabilities			(260,393)	(226,207)
TOTAL NET ASSETS			<u>559,720</u>	<u>615,691</u>
Creditors: Amounts falling due after more than one year	13		(375,904)	(102,880)
TOTAL NET ASSETS			<u>£ 183,816</u>	<u>£ 512,811</u>
Represented By:-				
CAPITAL AND RESERVES				
Called Up Share Capital	14		100,000	100,000
Asset Revaluation Reserve	15		134,276	134,276
Profit and Loss Account	7		(50,460)	278,535
SHAREHOLDERS' FUNDS			<u>£ 183,816</u>	<u>£ 512,811</u>

The notes on Pages 2 to 17 form an integral part of the accounts.

Approved by the Board on 8th November 1991

A Hart - Director

J B Silgado - Director



JETAIR (UK) LIMITED

STATEMENT OF SOURCE & APPLICATION OF FUNDS
For the year ended 31st March 1991

	£	£	1990
SOURCE OF FUNDS			
<u>Generated from Operations</u>			
Net (loss)/profit before taxation		(368,729)	543,292
Adjustment for items not involving the movement of funds:-			
Depreciation	40,820		35,800
Extraordinary item	14,377		-
		55,197	35,800
		(313,532)	579,092
<u>Other Sources</u>			
Corporation Tax refund	10,392		-
Medium term loan	273,024		102,880
Refund Re Investment	21,000	304,416	-
		(9,116)	681,972
APPLICATION OF FUNDS			
Purchase of fixed assets	(40,034)		(12,966)
Tax paid	(192,500)		(201,456)
Loan repaid	-		(500,000)
Cost of investment in subsidiary undertakings	(14,378)		-
Extraordinary items	(70,077)		-
		(316,989)	(714,422)
		(326,105)	(32,450)
<u>Movement in Working Capital</u>			
Increase in debtors	(185,223)		(271,445)
(Decrease)/Increase in creditors	(159,439)		20,628
		(344,662)	(250,817)
		£ (670,767)	£ (283,267)
<u>Movement in Net Liquid Funds</u>			
Decrease in cash balances		(1,179,736)	(622,597)
Decrease in bank overdraft		508,969	339,330
		£ (670,767)	£ (283,267)

JETAIR (UK) LIMITEDNOTES TO THE ACCOUNTS**1. ACCOUNTING POLICIES****a. Convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of the leasehold property. The principal accounting policies which the directors have adopted within that convention are set out below.

The financial statements have been prepared in accordance with applicable Accounting Standards.

b. Turnover

Turnover principally represents gross commissions receivable and interest income, exclusive of value added tax.

Turnover and profits by class of business have not been disclosed as in the opinion of the directors such disclosure would be prejudicial to the company's business.

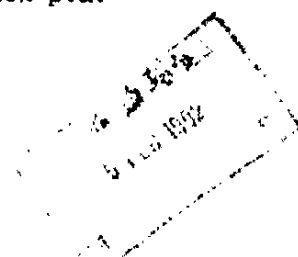
Turnover is contributed on geographical analysis as follows:-

Europe	18,931
UK	1,859,174
	<hr/>
	£ 1,878,105
	<hr/>

c. Depreciation

Depreciation is provided for on a straight line basis at the following rates, so calculated as to write off the assets concerned over their useful economic lives:-

Long Leasehold Property	1.22% p.a.
Equipment, Furniture & Fittings	20% p.a.
Computer Equipment	50% p.a.
Motor Vehicles	25% p.a.



JETAIR (UK) LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (Continued)

d. Deferred Taxation

No provision has been made for deferred taxation as the directors have concluded that such a provision would not have a material effect on the financial statements.

e. Investments

(i) Valuation

Investments held as fixed assets are stated at cost except in so far as they have been written down as a result of a permanent diminution in value.

(ii) Consolidation

Under Section 249 of the Companies Act 1985 the Parent and Subsidiary Undertakings qualify to be treated as a medium sized Group and consequently, under Section 248 of the Companies Act 1985, the Parent Undertaking is exempt from preparing group financial statements. Accordingly the directors have resolved not to prepare group financial statements.

f. Intangible Asset

This asset represents payments on account in respect of a long term tourism project undertaken by the company (See Note 9).

g. Foreign Exchange

Transactions denominated in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies at the Balance Sheet date are translated at the rate ruling at that date.

JETAIR (UK) LIMITEDNOTES TO THE ACCOUNTS2. STAFF COSTS (including directors)

	£	1990
Salaries	651,430	528,706
Social Security Costs	65,422	53,149
	<u>£ 716,852</u>	<u>£ 581,855</u>

The average number of employees during the year under review was 49.

Directors

	£	1990
Emoluments paid to directors in respect of their services as directors	57,736	32,083
	<u>£ 57,736</u>	<u>£ 32,083</u>
Remuneration of Highest Paid Director	<u>£ 30,029</u>	<u>£ 32,083</u>

Scale of Directors Remuneration

£0 - £ 5,000	2	2
£25,001 - £30,000	1	-
£30,001 - £35,000	1	1
	<u>2</u>	<u>1</u>



JETAIR (UK) LIMITEDNOTES TO THE ACCOUNTS3. INTEREST PAID

	£	<u>1990</u>
Bank overdraft interest	£ 2,988	£ 1,640
	<u> </u>	<u> </u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is arrived at after charging:-

	£	<u>1990</u>
Depreciation	40,820	48,356
Directors' remuneration	57,736	32,083
Auditors' remuneration	17,500	17,500
	<u> </u>	<u> </u>

5. TAXATION

Provisions Made in the Year:-

	£	<u>1990</u>
UK Corporation tax (recoverable) payable at 35% based on the adjusted (loss)/profits for the year	(109,811)	169,265
Adjustments relating to prior years	-	2,872
	<u>£ (109,811)</u>	<u>£ 172,137</u>

JETAIR (UK) LIMITEDNOTES TO THE ACCOUNTS

6.	<u>EXTRAORDINARY ITEMS</u>	£	<u>1990</u>
(i)	Provision for permanent diminution on investment in subsidiary undertaking (Note 10)	14,377	68,753
(ii)	Irrecoverability of loan advanced to Subsidiary Undertaking: - Jetair Tours Pty Ltd (Note 17(i))	13,731	-
(iii)	Provision in respect of cash deposits held at Bank of Credit & Commerce International SA (Note 17(ii))	41,969	-
		<u>£ 70,077</u>	<u>£ 68,753</u>
7.	<u>PROFIT AND LOSS ACCOUNT</u>	£	<u>1990</u>
	Balance as at 1st April 1990	278,535	68,133
	Balance for the year	(328,995)	123,689
		<u>(50,460)</u>	<u>191,822</u>
	Capitalisation of Reserves	-	(92,000)
	Balance As At 31st March 1991	<u>£ (50,460)</u>	<u>£ 278,535</u>

JETAIR (UK) LIMITEDNOTES TO THE ACCOUNTS8. FIXED ASSETS

	<u>Long Leasehold Property</u> £	<u>Equipment Furniture & Fittings</u> £	<u>Computer Equipment</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
COST					
As at 1st April 1990	300,000	75,792	27,251	42,961	446,004
Additions	—	29,732	2,307	7,995	40,034
As at 31st March 1991	<u>£ 300,000</u>	<u>£ 105,524</u>	<u>£ 29,558</u>	<u>£ 50,956</u>	<u>£ 486,038</u>
DEPRECIATION					
As at 1st April 1990	7,316	34,154	24,400	28,237	94,107
Charge for the year	3,600	20,495	3,992	12,733	40,820
As at 31st March 1991	<u>£ 10,916</u>	<u>£ 54,649</u>	<u>£ 28,392</u>	<u>£ 40,970</u>	<u>£ 134,927</u>
NET BOOK VALUE					
As at 31st March 1991	<u>£ 289,084</u>	<u>£ 50,875</u>	<u>£ 1,166</u>	<u>£ 9,986</u>	<u>£ 351,111</u>
As at 31st March 1990	<u>£ 292,684</u>	<u>£ 41,638</u>	<u>£ 2,851</u>	<u>£ 14,724</u>	<u>£ 351,897</u>

JETAIR (UK) LIMITEDNOTES TO THE ACCOUNTS9. INTANGIBLE ASSET

PROMOTION OF TOURISM TO INDIA	<u>1991</u>	<u>1990</u>
Payments on account	490,000	490,000
<u>Less: Refund</u>	<u>(21,000)</u>	<u>-</u>
	<u>£ 469,000</u>	<u>£ 490,000</u>

In December 1984 the Company determined to expand its business to include the organising and promotion of tours to the Indian Sub-Continent. It signed an agreement, effective October 1985, with an Indian company to provide the required facilities in India. To assist and encourage that company to set up an infrastructure in India to accommodate and service the planned traffic of tourists, the company made payments on account totalling Indian Rupees 8,768,949 (£490,000) to the company in India for the project.

Under the terms of the agreement, £70,000 of the payments on account represent a security deposit for compliance with the terms of the agreement which is not refundable until the expiry of the contract or any continuance thereof. The earliest date at which any part of the balance could be returned was 31st October 1990. £21,000 of Tourism Revenue has been offset during the year under review.

The present management of the Company see the commitment to the project as requiring the Company to promote tours to India, rather than organising its own tours. The Company is stepping up its efforts to fulfil its promotions commitment to the Indian company. Given the dependence for the recovery of the payments on account on the performance by the Company of its long term contractual commitment to the Indian company, and recognising the long term nature of the project, the directors of the Company accept that full utilization of the payments made cannot be expected in the foreseeable future.

The company will pursue its efforts to promote tours to India so as to entitle full utilization of the payments on account made by the company as the agreement is expected to prove beneficial to the company in its India tours business.

JETAIR (UK) LIMITEDNOTES TO THE ACCOUNTS10. INVESTMENTSInvestment in Subsidiary Undertakings

	<u>Bountiful SA</u>	<u>Jetair Tours</u>	<u>1990</u>
	<u>£</u>	<u>Pty Ltd</u>	<u>£</u>
Balance brought forward	1	-	68,754
Investment in the year		14,378	-
<u>Less:</u> Provision for permanent diminution in value (Note 6(i))	-	(14,377)	(68,753)
As At 31st March 1991	<u>£ 1</u>	<u>£ 1</u>	<u>£ 1</u>

On 25th October 1990 the company acquired an interest in Jetair Tours Private Limited, a company incorporated in New South Wales, Australia at a cost of £14,378.

<u>Subsidiary Undertakings</u>	<u>Registered</u>	<u>% Holding</u>	<u>Class of Shares</u>
Bountiful SA	France	100%	Ordinary Shares of FF1 each
Jetair Tours Pty Limited	Australia	100%	Ordinary Shares of A\$1 each

The principal activities of the Subsidiary Undertakings are those of acting as passenger sales agents for airline principals and the provision of services within the travel industry.

11. DEBTORS

	<u>£</u>	<u>1990</u>
Trade debtors	675,279	508,445
H M Customs & Excise	28,934	-
Sundry debtors and prepayments	101,858	91,503
Corporation Tax recoverable	109,811	-
	<u>£ 915,882</u>	<u>£ 599,948</u>

JETAIR (UK) LIMITEDNOTES TO THE ACCOUNTS12. CREDITORS: Amounts falling due within one year.

	£	<u>1990</u>
Trade creditors	1,073,550	1,290,253
Sundry creditors & accruals	359,934	297,552
Inland Revenue:-		
Corporation tax	-	161,208
PAYE & Social security costs	17,910	23,028
Bank overdrafts	533,937	1,042,906
	<u>£ 1,985,331</u>	<u>£ 2,814,947</u>

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

	£	<u>1990</u>
Unsecured loan accounts	<u>£ 375,904</u>	<u>£ 102,880</u>

The unsecured loan accounts which are interest free have been subordinated in favour of third party creditors. No dates have been set for repayment of the loans.

14. SHARE CAPITAL

	£	<u>1990</u>
Authorised		
Ordinary Shares of £1 each	<u>£ 250,000</u>	<u>£ 250,000</u>
Issued and Fully Paid		
Ordinary Shares of £1 each	<u>£ 100,000</u>	<u>£ 100,000</u>

JETAIR (UK) LIMITEDNOTES TO THE ACCOUNTS15. ASSET REVALUATION RESERVE

	£	<u>1990</u>
Long leasehold property	£ 134,276 =====	£ 134,276 =====

The leasehold property was last revalued on 31st March 1988. In the opinion of the directors this reflects the current market value of the property and accordingly no adjustment is considered necessary for the year under review.

16. CONTINGENT LIABILITIES

Two bank guarantees in favour of Airline Principals, totalling £80,000 and issued for the security of ticket stocks have been secured over monies held by the company on medium term deposits with those banks.

17. POST BALANCE SHEET DATE

- (i) On 30th June 1991 the Subsidiary Undertaking, Jetair Tours Private Limited, suspended trading as a result of an unsuccessful entry into the Australian market due principally to the downturn in the market as a result of the Gulf crisis.

The directors have made provision in the financial statements (Note 6(ii)) for the year under review in respect of a loan totalling £13,731, due from the Subsidiary Undertaking at the Balance Sheet date.

Additionally, a further loan totalling £12,130 outstanding at 30th June 1991 is considered irrecoverable by the directors.

- (ii) On 5th July 1991 the Bank of England suspended the trading activities of the Bank of Credit and Commerce International SA. In view of the uncertain future of BCCI the directors have made provision in the financial statements in respect of the company's total exposure (Note 6(iii)).

- (iii) A loan totalling £9,668 made to the Subsidiary Undertaking, Bountiful SA after the Balance Sheet date is considered by the directors to be irrecoverable.

Freeman & Partners
Chartered Accountants
30 St James's Street
LONDON
SW1A 1HB

The Board of Directors
Jetair (UK) Limited
Empire House
175 Piccadilly
LONDON
W1A 9DB

Gentlemen

We have completed our review of the relevant Accounts in respect of
Bountiful SA and Jetair Tours Pty Limited being subsidiaries of your Company.

In our opinion the group qualifies, under Section 249 CA 1985, to be treated
as a medium sized group and consequently Jetair (UK) Limited, the Parent
Company, is entitled to exemption from preparing Group Accounts under
Section 248 CA 1985.

Yours faithfully



FREEMAN & PARTNERS

Date: 8 November 1992

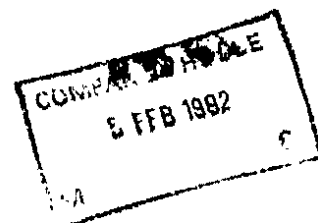
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JETAIR (UK) LIMITED

FINANCIAL STATEMENTS

For the year ended 31st March 1991

FREEMAN & PARTNERS
CHARTERED ACCOUNTANTS
30 ST JAMES'S STREET
LONDON SW1A 1HB



JETAIR (UK) LIMITED

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JETAIR (UK) LIMITED

COMPANY INFORMATION

DIRECTORS

B Beattini
A Hart
J B Silgardo

SECRETARY

Abogado Nominees Limited

REGISTERED OFFICE

Aldwych House
Aldwych
LONDON
WC2B 4JP

REGISTERED NUMBER

1364154

DATE OF INCORPORATION

20th April 1978

AUDITORS

Freeman & Partners
Chartered Accountants
30 St James's Street
LONDON
SW1A 1HB

BANKERS

Barclays Bank Plc
Piccadilly Branch
160 Piccadilly
LONDON
W1A 2AB

JETAIR (UK) LIMITED

REPORT OF THE DIRECTORS

The directors present their report on the affairs of the company together with the audited financial statements for the year ended 31st March 1991.

Principal Activities

The principal activities of the company are those of acting as passenger sales agents for airlines and the provision of services within the travel industry.

Results and Business Review

The results for the year are detailed on Page 5.

During the year under review the Board had been engaged in consolidating the company's position and planning for further growth. However, the unexpected turn of events in the Middle East and in particular the Gulf War resulted in a scaling down of trading activities.

In the longer term the Board is optimistic about the company's future prospects.

Dividends

The directors do not recommend the payment of a dividend for the year under review.

Fixed Assets

The movements in tangible fixed assets are set out in Note 8 on Page 13 of the accounts.

JETAIR (UK) LIMITED

REPORT OF THE DIRECTORS

Directors

The directors who served during the year to 31st March 1991 were as follows:-

B Bettini
A Hart
J B Silgado (Appointed 1st February 1991)
S Beidas (Resigned 31st January 1991)

The directors do not hold any beneficial interest in the issued Share Capital of the company.

Auditors

Freeman & Partners have expressed their willingness to continue in office. A resolution proposing their reappointment will be presented at the forthcoming Annual General Meeting.

By Order of the Board


J B Silgado
DIRECTOR

8th November 1991

JETAIR (UK) LIMITED

REPORT OF THE AUDITORS

To the Members of Jetair (UK) Limited:

We have audited the financial statements set out on Pages 5 to 17 in accordance with Auditing Standards, having regard to the matters referred to below:-


As more fully explained in Note 9 of the Accounts the Company made payments totalling £490,000 for its Tourism Project. In view of the long term nature of the project, the existence of foreign exchange controls, and the Company's dependence on the successful future outcome of the promotion of tours to India, in our opinion a full provision should be made for any contingent exchange losses and against the potential non recovery of monies advance to the Indian company involved in the project, the amount of which was £469,000 at the Balance Sheet date.

If a provision were so recognised, the Company's Profit and Loss Account would show a deficit of £(519,460) and the Company's Net Assets would be reduced by £469,000 to £(285,184).

We have received assurances from the shareholders to the effect that further financial support will be made available to the company as required to cover its indebtedness to third parties and in particular that direct guarantees to Airline Principals and bankers will remain in force for the foreseeable future.

In our opinion the company is exempt under Section 248 of the Companies Act 1985, from preparing group accounts in respect of itself and its subsidiary undertakings.

Subject to the foregoing, in our opinion, the financial statements give a true and fair view of the state of affairs of the Company at 31st March 1991 and of the Loss and Source and Application of Funds for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.



Freeman & Partners
Chartered Accountants
London SW1

8th November 1991