

JETAIR (UK) LIMITED

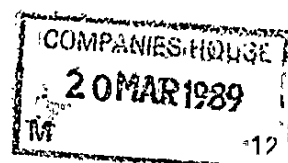
DIRECTORS

P. Mehta
V. Mehta
M. Barretto
S. Mittal
H. Sethi
R. Mahajan
N. Goyal
S. Goyal

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REPORT AND FINANCIAL STATEMENTS: 30 JUNE 1986

Pages One & Two	Directors' report
Page Three	Auditor's report
Page Four	Profit & Loss Account
Page Five	Balance Sheet
Page Six	Source & Application of Funds
Page Seven to Ten	Notes to Accounts



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JETAIR (UK) LIMITEDDIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the company for the year ended 30th June, 1986.

PRINCIPAL ACTIVITY

The company's principal activity continues to be that of sales agents of aircraft space for both freight and passenger.

REVIEW OF BUSINESS

A summary of the results for the year is given on page four of these financial statements.

The company achieved its objective for the year, which was to obtain a higher level of activity. The directors consider the state of affairs to be very satisfactory.

The directors are taking further steps to raise the efficiency and productivity of its subsidiary Bountiful S.A. in France.

DIVIDENDS

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

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their beneficial interests in the issued ordinary share capital of the company were as follows throughout the year.

	<u>Shares</u>
P. Mehta	4000
V. Mehta (4,000 shares jointly held with P. Mehta)	4000
M. Barretto	NIL
S. Mittal	NIL
H. Sethi	NIL
R. Mahajan	NIL
N. Goyal	NIL
S. Goyal	NIL

STATUS

The Company is a close company within the provisions of the Income and Corporation Taxes Act 1970.

JETAIR (UK) LTD

DIRECTORS' REPORT (continued)

FIXED ASSETS

The movement of tangible fixed assets is shown in note three of the financial statements.

AUDITORS

The auditors Messrs. Smith Dove retire from office in accordance with Section 384 of the Companies Act 1985. A resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

A. F. L. H.
Secretary

AUDITORS' REPORT
TO THE MEMBERS OF
JETAIR (UK) LIMITED

The financial statements appearing on pages three to ten have been extracted from accounting records which in the opinion of the Directors were inadequate for purposes of recording the company's financial position at the balance sheet date. We concur with that view and accordingly have not carried out an audit in respect of the financial statements. The Directors have advised that they have taken action with a view to remedying past inadequacies so far as current and future accounting for the company's business is concerned.

For the reasons stated in the preceding paragraph we are unable to form an opinion as to whether the financial statements give a true and fair view of the company's affairs at 30 June 1986 and of its profits and source and application of funds for the year then ended and as to whether they comply in all respects with the Companies Act 1985.

In view of the absence of audit work undertaken in respect of the financial statements we have not considered the information given in the Director's report and are, therefore, unable to form an opinion as to whether or not this information is consistent with the financial statements.



SMITH DOVE
Chartered Accountants

JETAIR (UK) LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1986

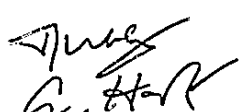
	<u>1986</u> £	<u>1985</u> £
Profit Before charging the following	267,711	173,179
Less: Audit	2,380	2,380
Depreciation	21,046	31,085
Directors Emoluments	75,790	52,263
Financial Charges	<u>26,246</u>	<u>27,661</u>
Profit After charging the above	142,249	59,790
Add: Interest receivable	<u>196,445</u>	<u>234,922</u>
Profit Before exceptional items	338,694	294,712
Loss on sale of car	<u>1985</u>	<u> </u>
Profit Prior to taxation	336,736	294,712
Taxation	<u> </u>	<u> </u>
Profit After taxation	336,736	294,712
Profit Brought Forward	<u>259,123</u>	<u> </u>
Profit Carried Forward	<u>595,859</u>	<u>£259,123</u>

JETAIR (UK) LIMITEDBALANCE SHEET
AS AT 30TH JUNE 1986

	£	<u>1986</u>	£	£	<u>1985</u>	£
<u>FIXED ASSETS</u>						
Tangible assets		856,639			841,440	
Investment		<u>492,347</u>	1,348,986		<u>2,347</u>	843,787
<u>CURRENT ASSETS</u>						
Debtors		1,517,462			1,417,482	
Cash at Bank/Hand		<u>248,653</u>			<u>1,169,514</u>	
		1,766,115			2,586,996	
<u>CREDITORS</u>						
Falling due within one year		(<u>2,511,242</u>)			(<u>3,059,660</u>)	
NET CURRENT LIABILITIES			(<u>745,127</u>)			(<u>472,664</u>)
Total assets less Current liabilities			603,859			371,123
<u>CREDITORS</u>						
Falling due beyond one year			-			(<u>104,000</u>)
			<u>603,859</u>			<u>267,123</u>
<u>CAPITAL & RESERVES</u>						
Paid up share capital			8,000			8,000
Profit and Loss Account			<u>595,859</u>			<u>259,123</u>
			<u>603,859</u>			<u>267,123</u>

Approved by the Board (6.1.87)

) Directors



JETAIR (UK) LIMITEDSOURCE OF APPLICATION OF FUNDS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 1986

	£	<u>1986</u>	£	<u>1985</u>	£
<u>SOURCE OF FUNDS</u>					
Profit on ordinary activities before taxation			336,736		294,712
Adjustment for items not involving the movement of funds.					
Depreciation and amortisation.	21,046				31,085
Loss on disposal of tangible fixed assets	<u>1,958</u>	<u>23,004</u>			
			359,740		325,797
Funds from other sources:					
Unsecured loan					
Proceeds of disposal of tangible fixed assets:-	<u>-</u>	<u>7,000</u>			
			366,740		325,797
<u>APPLICATION OF FUNDS</u>					
Purchase of tangible fixed assets:-	45,203			615,506	
Investment in tourism	<u>490,000</u>	<u>(535,203)</u>		<u>-</u>	<u>(615,506)</u>
INCREASE/(DECREASE) IN WORKING CAPITAL		<u>(168,463)</u>			<u>(289,709)</u>
<u>REPRESENTED BY MOVEMENT IN:</u>					
Debtors		99,980			(199,811)
Creditors		<u>648,418</u>			<u>(21,968)</u>
			748,398		221,779
			4,000		
Long term creditors					
Movement in net liquid funds:					
Cash at Bank and in hand		<u>(920,861)</u>			<u>(67,930)</u>
		<u>(168,463)</u>			<u>(289,709)</u>

JETAIR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1986

1) ACCOUNTING POLICIES

The company complies with the relevant United Kingdom statements of standard accounting practice. The following specific accounting policies have been adopted.

- a) The financial statements have been prepared under the historical/cost convention.
- b) Turnover, which is attributable entirely to the principal activity of the company, represents commissions earned from the sale of aircraft space for both passenger and freight trade exclusive of value added tax.
- c) Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

The leasehold property and freehold property are not amortised as the value of properties are appreciating

- d) No provision is made for deferred taxation as in the opinion of the directors there is reasonable evidence that such taxation will not become payable in the foreseeable future.

JETAIR (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30TH JUNE 1986

2) STAFF COSTS

- a) The average weekly number of employees during the year was as follows:

<u>1985</u>	<u>1986</u>
<u>53</u>	<u>51</u>

- b) The highest paid director received

<u>1985</u>	<u>1986</u>
<u>£</u>	<u>£</u>

The highest paid Director	<u>52,445</u>	<u>26,654</u>
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The emoluments of the other directors were in the following ranges:

	<u>1985</u>	<u>1986</u>
£0 to £5,000	6	5
£5,001 to £10,000	-	-
£10,001 to £15,000	-	-
£15,001 to £20,000	2	3

JETAIR (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30TH JUNE 1986

3) TANGIBLE FIXED ASSETS				
	Leasehold property	Furniture, fixtures & Fittings	Computer & software	Motor vehicles
	£	£	£	£
Cost				
At 30th June 1985	843,850	84,328	41,419	46,099
Additions	7,138	-	-	38,065
Disposals	-	-	-	39,099
At 30th June 1986	850,988	84,328	41,419	45,065
Depreciation				
As at 30th June 1985	62,620	51,885	22,610	37,141
Charge for the year	-	2,072	9,458	9,516
Eliminated on disposals	-	-	-	30,141
At 30th June 1985	62,620	53,957	32,068	16,516
Net Book Values				
At 30th June 1986	788,368	30,371	9,351	28,549
At 30th June 1985	781,230	32,443	18,809	8,958

4) FIXED ASSET INVESTMENTS		
	1985 £	1986 £
Bountiful S.A. France 100% shareholding	2,347	2,347
Tourism Project	<u>490,000</u>	-
	<u>492,347</u>	<u>2,347</u>

Bountiful S.A. France is a company carrying out a similar operation to that of its holding company. The results of the subsidiary have not been consolidated with that of its holding company as in the opinion of the directors it would be misleading to do so.

JETAIR (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30TH JUNE 19865) DEBTORS

	1986 <u>£</u>	1985 <u>£</u>
Trade debtors	1,371,462	1,299,406
Subsidiary	37,462	36,152
Other debtors	86,641	61,239
Prepayments	<u>21,751</u>	<u>20,685</u>
	<u>1,417,482</u>	<u>1,417,482</u>

All debtors are receivable within one year.

The debtors include significant amounts due from Airlines.

6) CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	1986 <u>£</u>	1985 <u>£</u>
Trade creditors	1,299,519	1,762,094
Bank overdrafts	1,021,206	1,197,715
Other creditors	115,276	14,775
Accruals	<u>75,241</u>	<u>85,616</u>
	<u>2,511,242</u>	<u>3,059,660</u>

7) CALLED UP SHARE CAPITAL

	Authorised <u>£</u>	Allotted, issued and fully paid <u>£</u>
Ordinary shares of £1 each	<u>8,000</u>	<u>25,000</u>

There have been no movements during the year.

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JETAIR (UK) LIMITED

REPORT & FINANCIAL STATEMENTS: 31 MARCH 1987

Page One & Two	Director's report
Page Three	Auditor's report
Page Four	Profit & Loss Account
Page Five	Balance Sheet
Page Six	Source & Application of Funds
Page Seven to Ten	Notes to Accounts

COMPONENT
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JETAIR (UK) LIMITEDDIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the company for the nine months ending 31 March 1987.

Principal Activity

The company's principal activity continues to be that of sales agents of aircraft space for both freight and passenger.

Review of Business

A summary of the results for the nine months is given on page four of these financial statements.

The company achieved its objective for the nine months, which was to obtain a higher level of activity. The Directors consider the state of affairs to be very satisfactory.

The Directors are taking further steps to raise the efficiency and productivity of its subsidiary Bountiful SA in France.

Dividends

The Directors do not recommend the payment of a dividend for the period.

Directors & Their Interests

The Directors who served during the nine months and their beneficial interests in the issued ordinary share capital of the company were as follows:-

	<u>Shares</u>
P Mehta	8,000
V Mehta (4,000 shares jointly held with P Mehta)	
M Barretto (resigned on 5.6.87)	Nil
S Mittal (resigned on 14.7.86)	Nil
H Sethi (resigned on 26.2.87)	Nil
R Mahajan (resigned on 29.7.86)	Nil
N Goyal (resigned on 18.12.86)	Nil
S Goyal (resigned on 18.12.86)	Nil

There was no change of shareholders during the year.

Status

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

Fixed Assets

The movement of tangible fixed assets is shown in note three of the financial statements.

Auditors

The auditors Messrs Smith Dove retire from office in accordance with Section 384 of the Companies Act 1985. A resolution to reappoint them will be proposed at the annual general meeting.

By Order of the Board

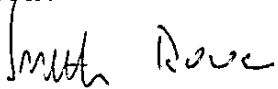
D. Hall
for Abogado Nuncio LTV
Secretary

AUDITORS' REPORT
TO THE MEMBERS OF
JETAIR (UK) LIMITED

The financial statements appearing on pages four to ten have been extracted from accounting records which in the opinion of the directors were inadequate for purposes of recording the company's financial position at the balance sheet date. We concur with that view and accordingly have not carried out an audit in respect of the financial statements. The Directors have advised that they have taken action with a view to remedying past inadequacies so far as current and future accounting for the company's business is concerned.

For the reasons stated in the preceding paragraphs we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1987 and of its profit and source and application of funds for the period then ended, as to whether they comply in all respects with the Companies Act 1985 and as to whether they comply with the relevant United Kingdom statements of standard accounting practice.

In view of the absence of audit work undertaken in respect of the financial statements we have not considered the information given in the director's report and are, therefore, unable to form an opinion as to whether or not this information is consistent with the financial statements.


SMITH DOVE
Chartered Accountants

6th January 1989

JETAIR (UK) LIMITEDPROFIT & LOSS ACCOUNTFOR THE NINE MONTHS ENDING 31 MARCH 1987

	Notes	1987 £	1986 £
Profit before charging the following		181,151	267,711
Less: Auditing		2,380	2,380
Depreciation		8,946	21,046
Directors emoluments		54,795	75,790
Financial charges		160,303	26,246
Profit/Loss after charging the above	2	(45,273)	142,249
Add: Interest income		58,387	196,445
Profit before exceptional items		13,114	338,694
Profit on sale of property		234,095	-
Loss on sale of car		-	1,958
Profit prior to taxation		247,209	336,736
Taxation		1,000,000	-
Profit/Loss after taxation		(752,791)	336,736
Profit/Loss brought forward		595,859	259,123
Profit/Loss carried forward		(156,932)	595,859

Notes on page 7 to 10 form part of these Accounts

JETAIR (UK) LIMITEDBALANCE SHEET AS AT 31 MARCH 1987

	Notes	1987	1986	
		£	£	£
<u>Fixed Assets</u>				
Tangible assets	3	306,121	856,639	
Investment	4	<u>510,575</u>	<u>492,347</u>	1,348,986
<u>Current Assets</u>				
Debtors	5	3,627,605	1,517,462	
Cash at Bank/hand		<u>713,068</u>	<u>248,653</u>	
		4,340,673	1,766,115	
<u>Creditors</u>				
Falling due within one year	6	<u>4,306,301</u>	<u>2,511,242</u>	
<u>Net Current Assets/ Liabilities</u>				
			34,372	(745,127)
Total assets less current liabilities			851,068	603,859
<u>Creditors</u>				
Falling due beyond one year			<u>1,000,000</u>	-
			<u>(148,932)</u>	<u>603,859</u>
<u>Capital & Reserves</u>				
Paid up share capital	7		8,000	8,000
Profit & Loss account			(156,932)	595,859
			<u>(148,932)</u>	<u>603,859</u>

Approved by the Directors on the 6th day of January 1989

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 Notes on page 7 to 10 form part of these Accounts

A. H. K.

SOURCE OF APPLICATION OF FUNDS STATEMENT
FOR THE NINE MONTHS ENDING 31 MARCH 1987

	1987		1986	
	£	£	£	£
<u>Source of Funds</u>				
Profit on ordinary activities before taxation		247,209		336,736
Adjustment for items not involving the movement of funds. Depreciation and amortisation.	8,946		21,046	
Taxation	1,000,000			
Loss on disposal of tangible fixed assets	-	1,008,946	1,958	23,004
		<u>1,256,155</u>		<u>359,740</u>
Funds from other sources:				
Proceeds of disposal of fixed asset		541,572		7,000
		<u>1,797,727</u>		<u>366,740</u>
<u>Application of Funds</u>				
Purchase of fixed asset	-		(45,203)	
Investment in subsidiary	(18,228)		-	
Investment in tourism	-	(18,228)	(490,000)	(535,203)
		<u>1,779,499</u>		<u>(168,463)</u>
Increase/(Decrease) in Working Capital				
<u>Represented by Movement In:</u>				
Debtors		2,110,143		99,980
Creditors		(1,795,059)		648,418
		<u>315,084</u>		<u>748,398</u>
Long term creditors		1,000,000		4,000
Movement in net liquid funds:				
Cash at Bank and in hand		464,415		(920,861)
		<u>1,779,499</u>		<u>(168,463)</u>

JETAIR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 MARCH 1987

1. Accounting Policies

The company complies with the relevant United Kingdom statements of standard accounting practice. The following specific accounting policies have been adopted.

- a) The financial statements have been prepared under the historical cost convention.
- b) Turnover, which is attributable entirely to the principal activity of the company, represents commissions earned from the sale of aircraft space for both passenger and freight trade exclusive of value added tax.
- c) Depreciation is provided at the appropriate rates in order to write off each asset over its estimated useful life.

The leasehold properties are not amortised as the value of properties are appreciating.

JETAIR (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 MARCH 19872. Staff Costs

- a) The average weekly number of employees during the year was as follows:-

<u>1987</u>	<u>1986</u>
48	51

- b) The highest paid Director received:

<u>1987</u>	<u>1986</u>
£	£
21,795	26,654

The emoluments of the other Directors were in the following ranges:

	<u>1987</u>	<u>1986</u>
£0 to £5,000	6	5
£5,001 to £10,000	-	-
£10,001 to £15,000	-	-
£15,001 to £20,000	2	3

JETAIR (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 MARCH 19873. Tangible Fixed Assets

	Leasehold Property £	Furniture Fixture & Fittings £	Computer & Software £	Motor Vehicles £
Costs				
As at 30 June 1986	850,988	84,328	41,419	45,065
Additions	-	-	-	-
Disposals	541,572	-	-	-
As at 31 March 1987	309,416	84,328	41,419	45,065
Depreciation				
As at 30 June 1986	62,620	53,957	32,068	16,516
Charge for the 9 months	-	-	7,851	1,095
Eliminated on disposals	-	-	-	-
As at 31 March 1987	62,620	53,957	39,919	17,611
Net Book Values				
As at 31 March 1987	246,796	30,371	1,500	27,454
As at 30 June 1986	788,368	30,371	9,351	28,549

4. Fixed Asset Investments

	1987 £	1986 £
Bountiful SA France Tourism Project	20,575 490,000	2,347 490,000
	<u>510,575</u>	<u>492,347</u>

JETAIR (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 MARCH 1987

Bountiful SA, France is a company carrying out a similar operation to that of its holding company.

The results, assets and liabilities of the subsidiary have not been consolidated with that of its holding company as in the opinion of the Directors it would be misleading to do so.

5.	<u>Debtors</u>	1987 £	1986 £
	Trade debtors	2,813,358	1,371,462
	Subsidiary	35,589	37,462
	Other debtors	756,713	86,787
	Prepayments	21,945	21,751
		<u>3,627,605</u>	<u>1,517,462</u>

All debtors are receivable within one year.

The debtors include significant amounts due from Airlines.

6. Creditors: Amount Falling Due Within One Year

	1987 £	1986 £
Trade creditors	250,822	1,299,519
Bank overdrafts	4,001,611	1,021,206
Other creditors	-	115,276
Accruals	53,868	75,241
	<u>4,306,301</u>	<u>2,511,242</u>

7. Called Up Share Capital

	Authorised £	Allotted issued & fully paid £
Ordinary shares at £1 each	<u>25,000</u>	<u>8,000</u>

There have been no movements during the year.