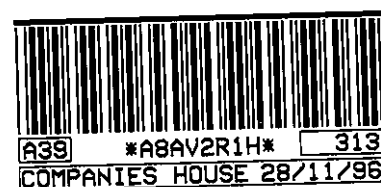


**BUNAC TRAVEL SERVICES LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1996**

**Morison Stoneham**  
**Chartered Accountants**  
**805 Salisbury House**  
**31 Finsbury Circus**  
**London EC2M 5SQ**

**Company Number: 1391030**



**BUNAC TRAVEL SERVICES LIMITED**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1996**

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# **BUNAC TRAVEL SERVICES LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1996**

The directors present their annual report and the audited financial statements for the year ended 30 September 1996.

### **PRINCIPAL ACTIVITIES**

The company's activity is that of operating travel programmes for the British Universities North America Club and the company is intending to further develop these programmes.

### **REVIEW OF THE COMPANY'S ACTIVITIES**

The state of the company's affairs is reflected in the attached financial statements and the result for the year to 30 September 1996 is set out in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend.

### **DIRECTORS**

The directors who held office during the year were as set out below. None of the directors held any beneficial interest in the shares of the company.

P Russell (resigned 17.3.96)  
J Buck  
A Crew  
A Edwards  
C Kennedy  
D Titmuss  
A Winchester

### **FIXED ASSETS**

The movements in fixed assets are set out in Note 6 to the financial statements.

### **AUDITORS**

Morison Stoneham have indicated their willingness to continue in office as auditors.

16 Bowling Green Lane  
London, EC1

23 November 1996

By Order of the Board



C C Mileham  
Company Secretary

## **BUNAC TRAVEL SERVICES LIMITED**

### **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 of the profit or loss of the company 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, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# **BUNAC TRAVEL SERVICES LIMITED**

## **AUDITORS' REPORT TO THE SHAREHOLDERS OF BUNAC TRAVEL SERVICES LIMITED**

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### **Respective responsibilities of directors and auditors**

As described on page 2, the company's directors are responsible for the preparation of the 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 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 as at 30 September 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

805 Salisbury House  
31 Finsbury Circus  
LONDON EC2M 5SQ

23 November 1996



**MORISON STONEHAM**

Registered Auditors  
Chartered Accountants

**BUNAC TRAVEL SERVICES LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 1996**

|  | <b>Note</b> | <b>1996<br/>£</b>       | <b>1995<br/>£</b>       |
|--|-------------|-------------------------|-------------------------|
| <b>OPERATING INCOME</b>  | <b>2</b>    | <b>1,964,265</b>        | <b>1,844,451</b>        |
| Administrative expenses  |             | <u>1,985,951</u>        | <u>1,833,551</u>        |
| <b>OPERATING (LOSS)/PROFIT</b>                                     | <b>3</b>    | <b>(21,686)</b>         | <b>10,900</b>           |
| Rent receivable  |             | 17,500                  | 10,208                  |
| Interest receivable  |             | 53,558                  | 43,686                  |
| Bank loan interest payable   |             | <u>(46,236)</u>         | <u>(61,908)</u>         |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE AND AFTER TAXATION</b> |             | <b>3,136</b>            | <b>2,886</b>            |
| <b>BALANCE BROUGHT FORWARD</b>                                     |             | <b>(15,839)</b>         | <b>(18,725)</b>         |
| <b>BALANCE CARRIED FORWARD</b>                                     |             | <b><u>£(12,703)</u></b> | <b><u>£(15,839)</u></b> |

All amounts relate to continuing activities.

All recognised gains and losses have been included in the Profit and Loss account.

The notes on pages 6 to 12 form part of these financial statements.

**BUNAC TRAVEL SERVICES LIMITED**

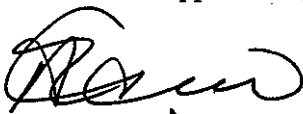
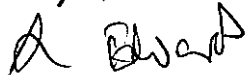
**BALANCE SHEET AS AT 30 SEPTEMBER 1996**

|  | Note | £                | 1996<br>£        | £                | 1995<br>£        |
|--|------|------------------|------------------|------------------|------------------|
| <b>FIXED ASSETS</b>  |      |                  |                  |                  |                  |
| Tangible assets  | 6    |                  | 2,783,707        |                  | 2,787,771        |
| Investments  | 7    |                  | 87,276           |                  | 27,252           |
|  |      |                  | <u>2,870,983</u> |                  | <u>2,815,023</u> |
| <b>CURRENT ASSETS</b>  |      |                  |                  |                  |                  |
| Debtors due within one year                                    | 8.1  | 63,109           |                  | 43,080           |                  |
| Debtors due after more than one year                           | 8.2  | 7,587            |                  | 7,969            |                  |
| Investments  |      | 250,000          |                  | -                |                  |
| Cash at bank and in hand                                       |      | 1,179,807        |                  | 1,211,336        |                  |
|  |      | <u>1,500,503</u> |                  | <u>1,262,385</u> |                  |
| <b>CREDITORS: amounts falling due within one year</b>          | 9.1  | 1,309,189        |                  | 968,247          |                  |
| <b>NET CURRENT ASSETS</b>                                      |      |                  | <u>191,314</u>   |                  | <u>294,138</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |                  | 3,062,297        |                  | 3,109,161        |
| <b>CREDITORS: amounts falling due after more than one year</b> | 9.2  |                  | (2,930,000)      |                  | (2,980,000)      |
| <b>PROVISION FOR LIABILITIES AND CHARGES</b>                   | 10   |                  | (120,000)        |                  | (120,000)        |
|  |      |                  | <u>£12,297</u>   |                  | <u>£9,161</u>    |
| <b>CAPITAL AND RESERVES</b>                                    |      |                  |                  |                  |                  |
| Called up share capital  | 11   |                  | 25,000           |                  | 25,000           |
| Profit and loss account  |      |                  | (12,703)         |                  | (15,839)         |
| <b>Shareholder's funds</b>                                     |      |                  | <u>£12,297</u>   |                  | <u>£9,161</u>    |

These financial statements were approved by the board of directors on 23 November 1996.

A Crew

A Edwards

)  
) Directors  
)

The notes on pages 6 to 12 form part of these financial statements.

# **BUNAC TRAVEL SERVICES LIMITED**

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1996**

### **1. ACCOUNTING POLICIES**

#### **1.1 Basis of Accounting**

The financial statements have been prepared on an historical cost basis and in accordance with applicable accounting standards.

#### **1.2 Depreciation**

Depreciation is charged at rates calculated to write off fixed assets over their anticipated useful lives as follows:

|   |   |             |
|---|---|-------------|
| Motor vehicles                          | - | 25% on cost |
| Fixtures, fittings and office equipment | - | 25% on cost |
| Computer equipment                      | - | 25% on cost |

It is the company's policy to maintain its buildings in such a condition that the value to the company's business as a whole is not impaired by the passage of time. As a consequence, any element of depreciation would in the opinion of the directors, be immaterial and, therefore, no provision for depreciation has been made.

#### **1.3 Operating Income**

Operating income represents net service charges, commission and other revenue receivable for operating travel programmes exclusive of Value Added Tax.

#### **1.4 Foreign Currencies**

The foreign currency balances existing at the balance sheet date are converted at the rates ruling at that date (US Dollar rate US\$1.56 to £1).

#### **1.5 Deferred Taxation**

Deferred taxation is provided only where a liability for such payment is expected to arise in the foreseeable future. At the balance sheet date no liability arises.

#### **1.6 Pension Scheme**

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account where they become payable as disclosed in Note 3.2.

#### **1.7 Leases**

Operating lease rentals are charged to the profit and loss account as and when incurred.



**BUNAC TRAVEL SERVICES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1996 - continued****2. OPERATING INCOME**

|  | <b>1996</b>       | <b>1995</b>       |
|--|-------------------|-------------------|
|  | <b>£</b>          | <b>£</b>          |
| Service charges receivable for arranging<br>British Universities North America Club<br>travel programmes | 1,961,129         | 1,841,565         |
| Other programmes   | 3,136             | 2,886             |
|  | <u>£1,964,265</u> | <u>£1,844,451</u> |

**3. OPERATING (LOSS)/PROFIT****3.1 This is stated after charging:-**

|                                  | <b>1996</b>       | <b>1995</b>       |
|----------------------------------|-------------------|-------------------|
|                                  | <b>£</b>          | <b>£</b>          |
| Depreciation (Note 6)            | 30,646            | 48,340            |
| Auditors' remuneration           | 15,000            | 14,000            |
| Directors' remuneration (Note 4) | 210,878           | 203,507           |
|                                  | <u>          </u> | <u>          </u> |

**3.2 Staff costs:**

|                       | <b>1996</b>     | <b>1995</b>     |
|-----------------------|-----------------|-----------------|
|                       | <b>£</b>        | <b>£</b>        |
| Wages and salaries    | 787,886         | 723,946         |
| Social security costs | 74,742          | 73,240          |
| Other pension costs   | 42,123          | 45,987          |
|                       | <u>£904,751</u> | <u>£843,173</u> |

The average number of employees including directors during the year was 40 (1995 - 37).

- 3.3** The company has no liability for corporation tax (1995 - £Nil) due to the availability of excess management expenses brought forward from previous years.

# BUNAC TRAVEL SERVICES LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1996 - continued

### 4. DIRECTORS' REMUNERATION

|               | 1996<br>£       | 1995<br>£       |
|---------------|-----------------|-----------------|
| Remuneration  | 193,271         | 186,466         |
| Pension costs | 17,607          | 17,041          |
|               | <u>£210,878</u> | <u>£203,507</u> |

The emoluments of the Chairman,  
excluding pension contributions, were

|            |            |
|------------|------------|
| £ -        | £ -        |
| <u>£ -</u> | <u>£ -</u> |

The emoluments of the highest paid director,  
excluding pension contributions, were

|                |                |
|----------------|----------------|
| £48,657        | £47,120        |
| <u>£48,657</u> | <u>£47,120</u> |

The number of other directors whose emoluments, excluding pension contributions, fell within the following ranges were:

|                   | Number   | Number   |
|-------------------|----------|----------|
| £Nil - £ 5,000    | 2        | 3        |
| £45,001 - £50,000 | 3        | 3        |
|                   | <u>2</u> | <u>3</u> |

### 5. LEASES

Operating lease charges and commitments are as follows:

|                                     | 1996<br>£    | 1995<br>£ |
|-------------------------------------|--------------|-----------|
| Charged during the year - Equipment | -            | 3,805     |
| - Property                          | 3,120        | -         |
|                                     | <u>3,120</u> | <u>-</u>  |

The annual payments to which the company is committed during the next year in which the commitments expire within one year.

|                   | 1996<br>£    | 1995<br>£ |
|-------------------|--------------|-----------|
| Hire of equipment | -            | -         |
| Lease of property | 3,120        | -         |
|                   | <u>3,120</u> | <u>-</u>  |

**BUNAC TRAVEL SERVICES LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1996 - continued**

**6. TANGIBLE FIXED ASSETS**

|                          | <b>Freehold<br/>property<br/>£</b> | <b>Motor<br/>vehicles<br/>£</b> | <b>Fixtures,<br/>fittings<br/>and office<br/>equipment<br/>£</b> | <b>Computer<br/>equipment<br/>£</b> | <b>Total<br/>£</b> |
|--------------------------|------------------------------------|---------------------------------|--|-------------------------------------|--------------------|
| <b>Cost or Valuation</b> |                                    |                                 |  |                                     |                    |
| At beginning of year     | 2,739,881                          | 28,085                          | 197,285  | 279,703                             | 3,244,954          |
| Additions                | -                                  | 15,483                          | 11,100   | -                                   | 26,583             |
| Disposals                | -                                  | (12,715)                        | -  | (12,888)                            | (25,603)           |
|                          | <u>2,739,881</u>                   | <u>30,853</u>                   | <u>208,385</u>   | <u>266,815</u>                      | <u>3,245,934</u>   |
| At end of year           | <u>2,739,881</u>                   | <u>30,853</u>                   | <u>208,385</u>   | <u>266,815</u>                      | <u>3,245,934</u>   |
| <b>Depreciation</b>      |                                    |                                 |  |                                     |                    |
| At beginning of year     | -                                  | 20,399                          | 184,000  | 252,784                             | 457,183            |
| Charge for year          | -                                  | 7,714                           | 9,957  | 12,975                              | 30,646             |
| Disposals                | -                                  | (12,714)                        | -  | (12,888)                            | (25,602)           |
|                          | <u>-</u>                           | <u>15,399</u>                   | <u>193,957</u>   | <u>252,871</u>                      | <u>462,227</u>     |
| At end of year           | <u>-</u>                           | <u>15,399</u>                   | <u>193,957</u>   | <u>252,871</u>                      | <u>462,227</u>     |
| <b>Net Book Value</b>    |                                    |                                 |  |                                     |                    |
| At 30 September 1996     | <u>£2,739,881</u>                  | <u>£15,454</u>                  | <u>£14,428</u>   | <u>£13,944</u>                      | <u>£2,783,707</u>  |
| At 30 September 1995     | <u>£2,739,881</u>                  | <u>£7,686</u>                   | <u>£13,285</u>   | <u>£26,919</u>                      | <u>£2,787,771</u>  |

# BUNAC TRAVEL SERVICES LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1996 - continued

| 7. INVESTMENTS   | 1996<br>£      | 1995<br>£      |
|--|----------------|----------------|
| Kamp Limited   |                |                |
| OPT USA Limited  |                |                |
| Overseas Practical Training USA Limited  |                |                |
| SWAP (UK) Limited  |                |                |
| While Others Merely Travel Limited   |                |                |
| Work America Limited   |                |                |
| Work Australia Limited   |                |                |
| Work Canada Limited  |                |                |
| Work in Britain Limited  |                |                |
| Work and Travel Limited  |                |                |
| Working Adventures Worldwide Limited   |                |                |
| Work USA Limited   |                |                |
| 2 Ordinary shares of £1 each being 100% of the issued share capital of the<br>above 12 companies which were incorporated during the year | 24             | -              |
| Vacation America Limited   |                |                |
| 2 Ordinary shares of £1 each being 100% of the issued share capital  | 2              | 2              |
| None of the above companies have traded since incorporation.   |                |                |
| Bold Travel Limited  |                |                |
| Loan at beginning of year  | 147,250        | 147,250        |
| Less provision   | (60,000)       | (120,000)      |
|  | <u>£87,276</u> | <u>£27,252</u> |

The loan to Bold Travel Limited is repayable after 30 September 2000.

Consolidated financial statements have not been prepared because the subsidiaries are not material.

| 8. DEBTORS                           | 1996<br>£      | 1995<br>£      |
|--------------------------------------|----------------|----------------|
| 8.1 Due within one year:             |                |                |
| Other debtors                        | 44,930         | 25,090         |
| Prepayments and accrued income       | 18,179         | 17,990         |
|                                      | <u>£63,109</u> | <u>£43,080</u> |
| 8.2 Due after more than one year:    |                |                |
| Amounts due from Bold Travel Limited | <u>£7,587</u>  | <u>£7,969</u>  |

This loan is repayable after 30 September 2000.

**BUNAC TRAVEL SERVICES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1996 - continued****9. CREDITORS**

|  | <b>1996</b>       | <b>1995</b>     |
|--|-------------------|-----------------|
|  | <b>£</b>          | <b>£</b>        |
| <b>9.1 Amounts falling due within one year</b> |                   |                 |
| Bank loan (secured)                            | 50,000            | 50,000          |
| Trade creditors                                | 590,845           | 493,664         |
| Due to British Universities North America Club | 7,369             | 417             |
| Due to Bold Travel Limited                     | 150,566           | 95,634          |
| Other creditors and accruals                   | 510,409           | 328,532         |
|  | <u>£1,309,189</u> | <u>£968,247</u> |

Other creditors includes £90,690 (1995 - £101,850) which relates to other taxation and social security.

|   | <b>1996</b>       | <b>1995</b>       |
|---|-------------------|-------------------|
|   | <b>£</b>          | <b>£</b>          |
| <b>9.2 Amounts falling due after more than one year</b> |                   |                   |
| Bank loan (secured)                                     | 400,000           | 550,000           |
| Due to British Universities North America Club          | 2,530,000         | 2,430,000         |
|   | <u>£2,930,000</u> | <u>£2,980,000</u> |

The loans from British Universities North America Club are interest free and are to rank after all external creditors of the company. £2,076,000 is repayable after 30 September 2000 and £454,000 repayable after 30 September 1997.

The bank loan is for a period of twenty years to 2009 repayable in instalments at a rate of interest of 1.875% above bank base rate and is secured on the company's freehold property and other assets. £200,000 is repayable after more than five years.

**10. PROVISION FOR LIABILITIES AND CHARGES**

|                               | <b>1996</b>     | <b>1995</b>     |
|-------------------------------|-----------------|-----------------|
|                               | <b>£</b>        | <b>£</b>        |
| <b>Dilapidation provision</b> |                 |                 |
| Balance at beginning of year  | 120,000         | 100,000         |
| Charge for year               | -               | 20,000          |
|                               | <u>£120,000</u> | <u>£120,000</u> |

The provision is for future repairs expenditure.

# BUNAC TRAVEL SERVICES LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1996 - continued

### 11. SHARE CAPITAL

|                                   | 1996    | 1995    |
|-----------------------------------|---------|---------|
| <b>Authorised</b>                 |         |         |
| 50,000 Ordinary shares of £1 each | £50,000 | £50,000 |
| <b>Issued and fully paid</b>      |         |         |
| 25,000 Ordinary shares of £1 each | £25,000 | £25,000 |

### 12. RECONCILIATION OF SHAREHOLDER'S FUNDS

|                      | 1996<br>£ | 1995<br>£ |
|----------------------|-----------|-----------|
| At beginning of year | 9,161     | 6,275     |
| Profit for year      | 3,136     | 2,886     |
| At end of year       | £12,297   | £9,161    |
| Represented by:      |           |           |
| Equity interests     | £12,297   | £9,161    |

### 13. CONTINGENCIES

- 13.1 The company's bankers held a charge over the company's assets at the year end as security for the bank loan and performance bond of £391,750 as a requirement of the Civil Aviation Authority.
- 13.2 As a requirement for the renewal of the company's Air Travel Organisers License, the British Universities North America Club has provided to the Civil Aviation Authority a guarantee that it shall meet any outstanding liabilities of the company.
- 13.3 The company has given a cross guarantee in support of an overdraft facility granted to Bold Travel Limited. At the balance sheet date the amount outstanding was £Nil (1995 - £Nil).

### 14. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is British Universities North America Club, an unincorporated body, whose principal place of business is 16 Bowling Green Lane, London, EC1.