

1456086 (England and Wales)

INTATRAVEL GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998



INTATRAVEL GROUP LIMITED

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INTATRAVEL GROUP LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 October 1998.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company for the year under review was that of travel agents.

The progress of the company during the year accorded with expectations and the position at the end of the year is regarded as satisfactory.

On 16 November 1998, the company re-registered as a private company and changed its name from Intatravel Group PLC to Intatravel Group Limited. On the same date the entire share capital of the company was acquired by First Choice Holidays PLC.

The directors are confident that the company is in an excellent position, with the support of First Choice Holidays PLC to develop its network of travel agents.

RESULTS AND DIVIDENDS

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests in the company were as stated below.

	Class of share	Number of shares	
		1998	1997
R J Moore	Ordinary shares	338,224	338,224
S T Moore	Ordinary shares	106,776	106,776
C M Sharman	Ordinary shares	-	-

On 16 November 1998, R J Moore, S T Moore and C M Sharman resigned as directors of the company. On the same date, D Howell, P Long and G Reilly were appointed in their place.

The directors who also held a beneficial interest in the shares of Quality Flights Limited, a subsidiary, were as stated below.

	Class of share	Number of shares	
		1998	1997
R J Moore	Ordinary shares	15	15
S T Moore	Ordinary shares	5	5

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company contributed £8,300 to charities .

INTATRAVEL GROUP LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

PAYMENT POLICY FOR CREDITORS

The company does not follow a standard payment policy due to the fact that the type of creditors vary so much. Generally operator creditors are paid as and when demanded, usually by direct debit or CHAPS transfer. Other expense creditors are, on average paid within 60-90 days. The overall number of creditor days is 19 days.

YEAR 2000 AND THE EURO ISSUE

The directors have assessed the risks posed by the Year 2000 problem and the implementation of the Euro, and have plans in place to address the issues raised, although the costs of the plans have not been quantified at this stage.

AUDITORS

Haslers will formally resign as auditors at the next Annual General Meeting and a resolution proposing that KPMG Audit PLC be appointed as auditors of the company, will be put to the Annual General Meeting.

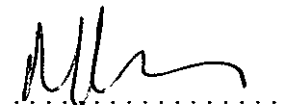
DIRECTORS' RESPONSIBILITIES

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;
- 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.

By Order of the Board



R J G Starling
Secretary

Dated:

INTATRAVEL GROUP LIMITED

AUDITORS' REPORT
TO THE SHAREHOLDERS OF INTATRAVEL GROUP LIMITED

We have audited the financial statements on pages 4 to 19 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 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

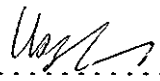
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's 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 31 October 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

As referred in Note 1.8, the company has not prepared group accounts as required by Financial Reporting Standard No. 2.


.....
Haslers
Chartered Accountants
Registered Auditor

Date: 26/4/99....

Johnston House
8 Johnston Road
Woodford Green
Essex IG8 OXA

INTATRAVEL GROUP LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 1998

		1998	1997 as restated
	Notes	£	£
TURNOVER		4,814,881	4,467,663
ADMINISTRATIVE EXPENSES		(4,831,913)	(4,254,132)
OTHER OPERATING INCOME		16,915	8,286
OPERATING LOSS	3	(117)	221,817
Other interest receivable and similar income	4	36,244	13,944
Interest payable and similar charges	5	(90,162)	(105,713)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(54,035)	130,048
Tax on loss on ordinary activities	6	27,025	(35,608)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(27,010)	94,440
Dividends	7	-	(36,500)
RETAINED LOSS FOR THE FINANCIAL YEAR	16	£ (27,010)	£ 57,940

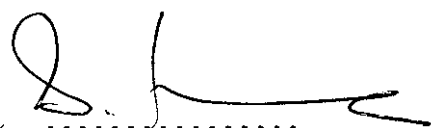
There are no recognised gains and losses other than those passing through the profit and loss account.

INTATRAVEL GROUP LIMITED

BALANCE SHEET AS AT 31 OCTOBER 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible assets	8	2,112,514	1,877,097
Investments	9	755,000	755,000
		<u>2,867,514</u>	<u>2,632,097</u>
CURRENT ASSETS			
Debtors	10	3,272,099	2,459,268
Cash at bank and in hand		623	24
		<u>3,272,722</u>	<u>2,459,292</u>
CREDITORS: amounts falling due within one year	11	(4,457,843)	(3,509,753)
NET CURRENT LIABILITIES		<u>(1,185,121)</u>	<u>(1,050,461)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,682,393</u>	<u>1,581,636</u>
CREDITORS: amounts falling due after more than one year	12	(595,192)	(422,118)
PROVISION FOR LIABILITIES AND CHARGES	13	(450,893)	(496,200)
		<u>£ 636,308</u>	<u>£ 663,318</u>
CAPITAL AND RESERVES			
Called up share capital	15	445,000	445,000
Profit and loss account	16	191,308	218,318
SHAREHOLDERS' FUNDS (equity interests)	17	<u>£ 636,308</u>	<u>£ 663,318</u>

The financial statements were approved by the Board on .



D Howell
Director

INTATRAVEL GROUP LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 1998

	1998	1997
	£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(819,359)	666,484
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	36,244	13,944
Interest paid	(90,162)	(105,713)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(53,918)	(91,769)
TAXATION		
Corporation tax paid	(64,347)	(34,006)
TAX PAID	(64,347)	(34,006)
CAPITAL EXPENDITURE		
Payments to acquire tangible assets	(426,630)	(97,058)
Payments to acquire investments	-	(410,000)
Receipts from sales of tangible assets	34,418	55,900
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(392,212)	(451,158)
NET CASH OUTFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING	(1,329,836)	89,551
Equity dividends paid	-	(36,500)
NET CASH OUTFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING	(1,329,836)	53,051
FINANCING		
New long term bank loan	250,000	(176,944)
Repayment of long term bank loan	(28,109)	-
Capital element of hire purchase contracts	85,290	(49,721)
NET CASH INFLOW FROM FINANCING	307,181	(226,665)
DECREASE IN CASH	(1,022,655)	(173,614)

INTATRAVEL GROUP LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 1998

1 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES	1998 £	1997 £
Operating loss	(117)	221,817
Depreciation of tangible assets	153,443	192,479
Loss on disposal of tangible assets	3,352	(3,879)
Increase in debtors	(766,765)	(14,185)
Decrease in creditors due within one year	(209,272)	270,252
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(819,359)	666,484

2 ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	1 November 1997	Cash flow	Other non-cash changes	31 October 1998
	£	£	£	£
Net cash:				
Cash at bank and in hand	24	599	-	623
Bank overdrafts	(828,669)	(1,023,255)	-	(1,851,924)
	<u>(828,645)</u>	<u>(1,022,656)</u>	<u>-</u>	<u>(1,851,301)</u>
Debt:				
Finance leases	(13,649)	(85,290)	-	(98,939)
Debt due within one year	(30,499)	(72,718)	-	(103,217)
Debt due after one year	(416,366)	(149,173)	-	(565,539)
	<u>(460,514)</u>	<u>(307,181)</u>	<u>-</u>	<u>(767,695)</u>
Net (debt)/funds	(1,289,159)	(1,329,837)	-	(2,618,996)

3 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT	1998 £	1997 £
Decrease in cash in the year	(1,022,656)	(173,614)
Cash flow from increase in debt/lease financing	(307,181)	226,665
Movement in net funds in the year	<u>(1,329,837)</u>	<u>53,051</u>
Opening net debt	(1,289,159)	(1,342,210)
Closing net debt	<u>(2,618,996)</u>	<u>(1,289,159)</u>

INTATRAVEL GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998**

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

1.1 ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

1.2 TURNOVER

Turnover represents the net total of commissions receivable on sales of tours and other travel related products.

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	As stated below
Fixtures, fittings and equipment	-	10% and 15% straight line
Motor vehicles	-	25% Straight line

No depreciation is provided in respect of freehold properties as in the opinion of the directors their residual value exceeds their book value. Leasehold properties and improvements are amortised over the period of the lease or ten years, whichever ever is the greater, as it is considered that those leases of less than 10 years will be renewed. No amortisation is charged in the first 2 years to reflect the maturing of the shops during that period, and the cost is written off evenly over the remaining period. Repairs and redecorations are written off as incurred.

1.4 LEASING AND HIRE PURCHASE COMMITMENTS

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the policy stated above. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

INTATRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998

1.6 PENSIONS

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 DEFERRED TAXATION

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

1.8 GROUP ACCOUNTS

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as in the opinion of the directors the costs involved far exceeds any benefits to the shareholders.

2. TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the U.K.

3. OPERATING LOSS

	1998	1997
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	153,443	192,479
Hire of plant and machinery	60,291	63,792
Operating lease rentals		
- Land and buildings	788,077	782,462
Auditor's remuneration	33,083	27,152

and after crediting:

Rent receivable	16,915	8,286
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4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	1998	1997
	£	£
Bank interest receivable	13,541	9,948
Other interest receivable	22,703	3,996
	<u>£ 36,244</u>	<u>£ 13,944</u>

INTATRavel GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998

5.	INTEREST PAYABLE	1998	1997
		£	£
	Other interest	2,710	5,382
	On bank loans and overdrafts	45,725	38,205
	On loans repayable after 5 years	39,334	34,432
	Hire purchase interest	2,393	6,080
	On overdue tax	-	21,614
		<u>£ 90,162</u>	<u>£ 105,713</u>
6.	TAXATION	1998	1997
		£	£
	U.K. Current year taxation		
	U.K. Corporation tax at 31% (1997 - 28%)	-	14,060
	Transfer from deferred taxation	(26,542)	35,200
		<u>26,542</u>	<u>49,260</u>
	Prior years		
	U.K. Corporation tax	(483)	(13,652)
		<u>£ (27,025)</u>	<u>£ 35,608</u>
7.	DIVIDENDS	1998	1997
		£	£
	Ordinary interim paid	-	36,500

INTATRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998

8. TANGIBLE ASSETS

	Land and Fixtures, buildings fittings & equipment		Motor vehicles	Total
	£	£	£	£
Cost				
At 1 November 1997	2,547,348	699,022	140,810	3,387,180
Additions	192,592	42,071	191,967	426,630
Disposals	(36,020)	-	(20,500)	(56,520)
At 31 October 1998	2,703,920	741,093	312,277	3,757,290
Depreciation				
At 1 November 1997	843,072	585,159	81,852	1,510,083
On disposals	(3,602)	-	(15,148)	(18,750)
Charge for year	91,488	37,263	24,692	153,443
At 31 October 1998	930,958	622,422	91,396	1,644,776
Net book values				
At 31 October 1998	£1,772,962	£ 118,671	£ 220,881	£2,112,514
At 31 October 1997	£1,704,276	£ 113,863	£ 58,958	£1,877,097

The net book value of land & buildings comprises:

	1998	1997
	£	£
Freehold	743,853	743,853
Long leasehold	199,170	199,170
Short leasehold	829,939	761,253
	£1,772,962	£1,704,276

Included above are assets held under finance leases or hire purchase contracts as follows:

	Net book value		Depreciation charge	
	1998	1997	1998	1997
	£	£	£	£
Motor vehicles	146,598	29,047	12,883	3,154

INTATRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998

9. FIXED ASSET INVESTMENTS	1998 £	1997 £
Subsidiary undertakings	725,000	725,000
Participating interests	30,000	30,000
	<u>£ 755,000</u>	<u>£ 755,000</u>

Investment in subsidiary undertakings

	Shares £
Cost	
At 1 November 1997 & at 31 October 1998	<u>725,000</u>
Net Book Values	
At 31 October 1998	<u>£ 725,000</u>
At 31 October 1997	<u>£ 725,000</u>

Subsequent to the year end the investments in Quality Flights Limited, Intatravel Holidays Limited and Intabusiness Travel Limited were disposed of at their book values.

Undertakings in which the company has a participating interest

	Shares £
Cost	
At 1 November 1997 & at 31 October 1998	<u>30,000</u>
Net Book Values	
At 31 October 1998	<u>£ 30,000</u>
At 31 October 1997	<u>£ 30,000</u>

Holdings of more than 10%

The company holds more than 10% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Intabusiness Travel Limited	England and Wales	Ordinary	100
Intachange Finance Limited	England and Wales	Ordinary	100
Quality Flights Limited	England and Wales	Ordinary	67
Participating interests			
Intatravel Holidays Limited	England and Wales	Preference	100

INTATRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998

10. DEBTORS	1998	1997
	£	£
Trade debtors	612,694	277,042
Loans to directors	349,671	-
Corporation tax	71,230	25,164
Other debtors	226,309	311,303
Prepayments and accrued income	2,012,195	1,845,759
	<u>£3,272,099</u>	<u>£2,459,268</u>
 11. CREDITORS: amounts falling due within one year	 1998	 1997
	£	£
Bank loans and overdrafts	1,955,130	859,168
Net obligations under finance lease and hire purchase contracts	69,286	7,897
Trade creditors	1,892,951	2,043,853
Amounts owed to participating interest	-	50,977
Taxes and social security costs	328,647	258,152
Directors' current accounts	-	218,843
Other creditors	4,561	3,407
Accruals and deferred income	207,268	67,456
	<u>£4,457,843</u>	<u>£3,509,753</u>

INTATRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998

12. CREDITORS: amounts falling due after more than one year	1998 £	1997 £
Loans	565,539	416,366
Net obligations under finance leases and hire purchase contracts	29,653	5,752
	<u>£ 595,192</u>	<u>£ 422,118</u>

Loans

Not wholly repayable within five years
by instalments

Repayable in monthly instalments
of £3,958 by 2013 bearing interest
at 2% over base rate.

368,485 379,225

Wholly repayable within five years

300,271 67,640

Included in current liabilities

668,756 446,865
(103,217) (30,499)

£ 565,539 £ 416,366

The bank loans and overdraft are secured by legal mortgages on certain properties and a debenture incorporating fixed and floating charges over all of the company assets, mortgages on the life policies of C M Sharman and R J Moore, a guarantee by R J Moore and a guarantee limited to £250,000 by S T Moore.

Net obligations under finance leases
and hire purchase contracts

Repayable within one year

73,427 8,976

Repayable between one and five years

32,273 5,984

105,700 14,960

Finance charges and interest allocated
to future accounting periods

(6,761) (1,311)

Included in current liabilities

98,939 13,649
(69,286) (7,897)

£ 29,653 £ 5,752

INTATRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is provided at 30% (1997 - 31%) analysed over the following timing differences:

	Not provided		Provided	
	1998	1997	1998	1997
	£	£	£	£
Accelerated capital allowances	29,000	-	16,500	37,000
Other timing differences	-	-	512,000	459,200
Tax losses available	-	-	(77,607)	-
	<u>£ 29,000</u>	<u>£ -</u>	<u>£ 450,893</u>	<u>£ 496,200</u>

14. PENSION COSTS

The company operates a defined contribution scheme whose assets are held independently from those of the company. Premiums paid during the year were £99,534.

15. SHARE CAPITAL

	1998	1997
	£	£
Authorised		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid		
445,000 Ordinary shares of £1 each	<u>445,000</u>	<u>445,000</u>

16. PROFIT AND LOSS ACCOUNT

	1998	1997
	£	£
Retained profits at 1 November 1997	533,876	370,660
Prior year adjustment	(315,558)	(210,282)
Retained profits at 1 November 1997 as restated	<u>218,318</u>	<u>160,378</u>
Retained loss for the year	(27,010)	57,940
Retained profits at 31 October 1998	<u>£ 191,308</u>	<u>£ 218,318</u>

INTATRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998	1997
	£	as restated £
Loss for the financial year	(27,010)	94,440
Dividends	-	(36,500)
Net depletion in shareholders' funds	(27,010)	57,940
Opening shareholders' funds (see below)	663,318	605,378
Closing shareholders' funds	<u>£ 636,308</u>	<u>£ 663,318</u>

Opening shareholders' funds were originally £978,876 before deducting a prior year adjustment of £315,558, which arose due to the restatement of trade creditors in the previous years.

18. CONTINGENT LIABILITIES

The company had given a multilateral guarantee to Generale Bank in respect of the liabilities of this company and that of its subsidiaries. At the year end the potential liability of the subsidiaries was £19,664. This guarantee has since been discharged.

19. FINANCIAL COMMITMENTS

At 31 October 1998 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	1998	1997	1998	1997
	£	£	£	£
Expiry date:				
Within one year	36,400	68,500	-	1,892
Between two and five years	202,020	173,625	68,124	65,272
In over five years	750,484	541,714	-	-
	<u>£ 988,904</u>	<u>£ 783,839</u>	<u>£ 68,124</u>	<u>£ 67,164</u>

INTATRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998

20.	CAPITAL COMMITMENTS	1998 £	1997 £
	Details of capital commitments at the accounting date are as follows:		
	Contracted for but not provided in the financial statements	£ 195,000	£ -
21.	DIRECTORS	1998	1997
	Remuneration		
	Directors emoluments	£ 264,458	£ 149,009
	Company contribution to money purchase schemes	£ 94,812	£ 87,259
	money purchase schemes	3	3
	Highest Paid Director	£	£
	Emoluments and amounts receivable under long term incentive schemes	170,000	66,622
	Company contribution to money purchase schemes	45,716	41,405
22.	TRANSACTIONS WITH DIRECTORS		
	The following director had a loan during the year at 5% over base rate. The movement on this loan was as follows:		
		Amount Outstanding	Maximum in year
		1998 £	1997 £
			1998 £
	R J Moore	349,671	- 349,671

INTATRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998

23. EMPLOYEES

Number of employees

The average monthly number of employees (including directors) during the year was:

	1998 Number	1997 Number
Office and management	32	28
Sales & ancillary staff	158	156
	<u>190</u>	<u>184</u>

Employment costs

	£	£
Wages and salaries	1,889,575	1,561,298
Social security costs	157,663	120,115
Other pension costs	99,534	89,140
	<u>£2,146,772</u>	<u>£1,770,553</u>

INTATRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998

24. RELATED PARTY TRANSACTIONS

During the year the ultimate controlling party was R J Moore, by virtue of his beneficial interest in the shares of the company and his directorship. The ultimate controlling party is now First Choice Holidays PLC.

As disclosed in Note 26 various subsidiaries were acquired by R J Moore after the year end.

At the year end and during the year the company gave a guarantee to the Civil Aviation Authority for any future potential liabilities of Intatravel Holidays Limited in which R J Moore, S T Moore and C M Sharman are directors. This guarantee has since been discharged.

As disclosed in Note 12 R J Moore and S T Moore provided guarantees for the bank loans and overdraft.

During the year the company provided management services totalling £82,387 to Quality Flights Limited, Intabusiness Travel Limited, and Intatravel Holidays Limited, companies in which C M Sharman, R J Moore and S T Moore have an interest. The company also recharged Intabusiness Travel Limited with £6,000 for interest incurred by the company. All other transactions were at normal commercial terms.

Included in trade debtors are amounts due from related companies as follows:

Intabusiness Travel Limited	£73,408
Quality Flights Limited	£227,184

As disclosed in Note 22 R J Moore had a loan with the company on which interest of £22,703 was paid.

25. ULTIMATE PARENT COMPANY

The ultimate parent company is First Choice Holidays PLC, a company registered in England and Wales.

26. POST BALANCE SHEET EVENTS

On 16 November 1998 the company disposed of the following investments to R J Moore for £755,000:

Intabusiness Travel Limited
Quality Flights Limited
Intatravel Holidays Limited