

SILVER SKI HOLIDAYS LIMITED

COMPANY No.: 1897706

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 1995

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SILVER SKI HOLIDAYS LIMITED

FOR THE YEAR ENDED 30TH APRIL 1995

REPORT OF THE DIRECTORS

The directors submit their report and financial statements for the year ended 30th April 1995.

1) REVIEW OF ACTIVITIES

The company's principal activity during the period was that of tour operators, specialising in package skiing holidays in the Swiss and French Alps.

The directors consider that the company's performance was satisfactory and the group reported a post tax profit of £38,101 (1994 £76,047), as reported in the consolidated profit and loss account disclosed on page 5. The directors do not propose to recommend a final dividend, and it is proposed to transfer to reserves the retained profit of £38,101

The directors foresee that the next year will prove satisfactory, given the further investment in own quality chalets.

2) DIRECTORS AND THEIR INTERESTS

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

	£1 Ordinary shares	
	<u>30/04/94</u>	<u>30/04/95</u>
L. G. Silver	<u>24,000</u>	<u>24,000</u>
B. Sill	<u>6,000</u>	<u>6,000</u>

3) FIXED ASSETS

The movements in fixed assets are disclosed in note 6.

Two freehold properties were acquired by Valsarock Limited in December 1994, in the French Alpine resorts of Val D'Isere and Meribel.

4) AUDITORS

A resolution to reappoint N Tree FCA as auditor will be proposed at the annual general meeting, in accordance with Section 385 of The Companies Act 1985.

SILVER SKI HOLIDAYS LIMITED

FOR THE YEAR ENDED 30TH APRIL 1995

REPORT OF THE DIRECTORS Continued

6) 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 group and the profit or loss of the group for that period. In preparing these financial statements, the Directors are required to:-

- (i) select suitable accounting policies and apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent; and
- (iii) 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, as amended. 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.

The Directors confirm that these financial statements comply with the above requirement.

7) APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board on 15 September 1995.

By Order of the Board


L. G. Silver, Director

15 September 1995

SILVER SKI HOLIDAYS LIMITED

FOR THE YEAR ENDED 30TH APRIL 1995

REPORT OF THE AUDITOR

TO THE SHAREHOLDERS OF SILVER SKI HOLIDAYS LIMITED

I have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings, and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

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

Basis of opinion

I conducted my 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.

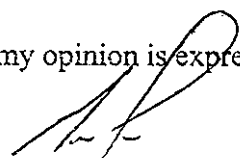
I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the state of the group's affairs at 30 April 1995 and of the group's profit for the period then ended, and have been properly prepared in accordance with The Companies Act 1985, as amended.

My audit was completed on 15 September 1995 and my opinion is expressed as at that date.

17 Gun Wharf
124 Wapping High Street
London
E1 9NH


N Tree
Registered Auditor
15 September 1995

SILVER SKI HOLIDAYS LIMITED

FOR THE YEAR ENDED 30TH APRIL 1995

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Note	1994 £	1995 £
TURNOVER	1	2,904,961	3,292,244
COST OF SALES		(2,238,796)	(2,560,947)
GROSS PROFIT		666,165	731,297
Administrative Expenses		(545,095)	(633,338)
Operating Profit	2	121,070	97,959
Interest Payable and Similar Charges	4	(24,296)	(39,414)
Interest receivable		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		96,774	58,545
TAXATION ON ORDINARY ACTIVITIES	5	(20,727)	(20,444)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		76,047	38,101
Dividend		-	-
Retained profit brought forward		252,370	328,417
RETAINED (LOSS) PROFIT CARRIED FORWARD		<u>£328,417</u>	<u>£366,518</u>

All amounts relate to continuing operations.

There were no recognised gains or losses for 1995 or 1994 other than those included in the profit and loss account.

The notes on pages 9 to 15 form part of these financial statements.

SILVER SKI HOLIDAYS LIMITED

FOR THE YEAR ENDED 30TH APRIL 1995


CONSOLIDATED BALANCE SHEET

	note	1994 £	1994 £	1995 £	1995 £
TANGIBLE FIXED ASSETS					
Tangible Assets	6		781,489		1,416,990
CURRENT ASSETS					
Debtors	7	27,452		19,771	
Cash at bank in hand		169,830		11,389	
			197,282		31,160
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8		(274,286)		(227,484)
NET CURRENT ASSETS			(77,004)		(196,324)
TOTAL ASSETS LESS CURRENT LIABILITIES			704,485		1,220,666
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	8		(150,490)		(517,127)
			<u>£553,995</u>		<u>£703,539</u>
CAPITAL AND RESERVES					
Called up share capital	10		30,000		30,000
Profit and Loss Account			328,417		366,518
Revaluation Reserve			195,578		307,021
SHAREHOLDER'S FUNDS	13		<u>£553,995</u>		<u>£703,539</u>

The notes on pages 9 to 15 form part of these financial statements.

The financial statements were approved by the board on 15 September 1995 and signed on its behalf by:

Director;


 L.G. Silver

Director;


 B. Sil

SILVER SKI HOLIDAYS LIMITED

FOR THE YEAR ENDED 30TH APRIL 1995

COMPANY BALANCE SHEET

	note	1994	1994	1995	1995
		£	£	£	£
TANGIBLE FIXED ASSETS					
Tangible Assets	6		101,375		91,716
Investment in subsidiary	9		29,900		29,900
CURRENT ASSETS					
Debtors	7	281,333		382,844	
Cash at bank in Hand		168,563		8,345	
			449,896		391,189
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8		(225,822)		(112,104)
NET CURRENT ASSETS			224,074		279,085
TOTAL ASSETS LESS CURRENT LIABILITIES			355,349		400,701
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	8		(27,412)		(25,273)
			<u>£327,937</u>		<u>£375,428</u>
CAPITAL AND RESERVES					
Called up share capital	10		30,000		30,000
Profit and Loss Account			297,937		345,428
			<u>£327,937</u>		<u>£375,428</u>

The notes on pages 9 to 15 form part of these financial statements.

The financial statements were approved by the board on 15 September 1995 and signed on its behalf by:

Director;

Director;


E.G. Silver


B. Sill

SILVER SKI HOLIDAYS LIMITED

FOR THE YEAR ENDED 30TH APRIL 1995

CONSOLIDATED CASH FLOW STATEMENT

	1994	1994	1995	1995
	£	£	£	£
OPERATING ACTIVITIES:				
Cash received from customers	2,904,961		3,292,244	
Cash payments to suppliers	(2,128,513)		(2,663,127)	
Cash paid to and on behalf of employees	(109,612)		(111,826)	
Other cash payments	(392,006)		(450,638)	
Net cash inflow from continuing operations		274,830		66,653
Net cash inflow from operating activities		274,830		66,653
RETURNS ON INVESTMENT AND SERVICING OF FINANCE:				
Interest received			-	
Interest paid	-		(35,277)	
Interest element of finance lease rental payments	(4,352)		(4,137)	
Dividends paid			-	
Net cash outflow from returns on investments and servicing of finance		(4,352)		(39,414)
TAXATION				
UK corporation tax paid	(73,247)		(24,197)	
Overseas tax paid				
Tax paid		(73,247)		(24,197)
INVESTING ACTIVITIES:				
Purchase of tangible fixed assets	(59,246)		(565,527)	
Sale of plant and machinery	-		-	
Net cash outflow from investing activities		(59,246)		(565,527)
Net cash inflow \ (outflow) before financing		<u>£137,985</u>		<u>(£562,485)</u>
FINANCING:				
Term Loans repayments (Source)	44,658		(410,661)	
Director's loans repayment	-		60,000	
Capital element of finance lease rental payments	(7,621)		779	
Net cash outflow / (inflow) from financing		37,037		(349,882)
INCREASE IN CASH AND CASH EQUIVALENTS		<u>81,004</u>		<u>(212,603)</u>
		<u>£118,041</u>		<u>(£562,485)</u>

The notes on pages 9 to 15 form part of these financial statements.

SILVER SKI HOLIDAYS LIMITED

FOR THE YEAR ENDED 30TH APRIL 1995

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The accounting policies of the group conform to generally accepted practice in the United Kingdom. The more significant of these policies are referred to in the notes below.

(a) Accounting Convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings, and include the results of the group's operations as indicated in the director's report, all of which are continuing.

(b) Turnover

Turnover, excluding Value added tax, represents the value of sales of package holidays sold in the year. All sales are for destinations in Europe.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value over their expected useful lives. Tangible fixed assets other than property investments are depreciated at a rate of 25% on a reducing balance. No depreciation is provided on freehold investment properties, as they are maintained to a high standard, and no depreciation charge is accordingly necessary. The maintenance costs of freehold land and buildings is charged to the profit and loss account in the year incurred.

(d) Foreign currency translation

Money values in the financial statements are expressed in £ sterling unless expressed to the contrary. Money assets and liabilities denominated in other currencies are translated at rates ruling at the balance sheet date, and revenue costs are translated at exchange rates ruling at transaction date. Profits and losses arising from settlements of amounts receivable and payable in foreign currencies are dealt with through the profit and loss account.

(e) Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets.

Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives.

Assets acquired by hire purchase are depreciated over their useful lives.

Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account on the "sum of digits" basis so as to produce an approximation of the constant periodic rate of charge on the net obligation outstanding in each period.

(f) Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

(g) Basis of Consolidation

These financial statements incorporate the assets, liabilities and results of the company and its subsidiary.

SILVER SKI HOLIDAYS LIMITED

FOR THE YEAR ENDED 30TH APRIL 1995

NOTES TO THE ACCOUNTS

2. OPERATING PROFIT

This is stated after charging

	<u>1994</u>	<u>1995</u>
	£	£
Directors' Remuneration	31,423	22,420
Auditors' Remuneration	17,500	17,500
Loss on sale fixed assets	7,055	13,339
Depreciation of tangible fixed assets owned by the group	22,368	17,737
Depreciation on tangible fixed assets held on finance leases /hire purchase	8,973	10,393
Operating lease rentals on overseas properties	821,316	1,034,826
Foreign exchange differences	<u>5,081</u>	<u>22,684</u>

Operating lease rentals do not have a contractual commitment for more than the following holiday season.

Director's emoluments disclosed in accordance with Schedule 5 of the Companies Act 1985, and excluding pension contributions are as follows:-

	<u>1994</u>	<u>1995</u>
	£	£
Emoluments of chairman and highest paid director	<u>£25,654</u>	<u>£15,200</u>
Number of other directors whose emoluments were in the ranges:- £5,000-£10,000	1	1

3. STAFF COSTS

	<u>1994</u>	<u>1995</u>
	£	£
Wages and salaries (excluding directors' remuneration)	70,767	69,044
Social security costs	<u>7,422</u>	<u>7,122</u>
	<u>£78,189</u>	<u>£76,166</u>

The average weekly number of employees, including directors, during the year based wholly or mainly in the UK was 10 (1994 13).

The average weekly number of employees including directors based wholly or mainly outside the UK was 45 (1994 45). Their aggregate remuneration was £ 134,319 (1994 £ 106,055).

This cost, of overseas based staff, is reflected within cost of sales, being a direct cost of holidays.

	<u>1994</u>	<u>1995</u>
Office and administration	13	10
Field support	<u>45</u>	<u>45</u>
	<u>58</u>	<u>55</u>

4. INTEREST PAYABLE

	<u>1994</u>	<u>1995</u>
	£	£
Bank interest and similar charges on loans repayable within five years		
-not by instalments	7,966	7,556
-by instalments	<u>11,978</u>	<u>27,721</u>
On finance leases and hire purchase contracts	<u>4,352</u>	<u>4,137</u>
	<u>£24,296</u>	<u>£39,414</u>

SILVER SKI HOLIDAYS LIMITED

FOR THE YEAR ENDED 30TH APRIL 1995

NOTES TO THE ACCOUNTS

5. TAX ON ORDINARY ACTIVITIES

	1994	1995
	£	£
UK Corporation tax at 25%	24,197	20,444
Prior year	(3,470)	-
	<u>£20,727</u>	<u>£20,444</u>

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

No deferred tax is provided on the difference between the market value of properties owned by the group and their book cost because there is reasonable probability that no liability will crystallise in the near future. A contingent liability in respect of deferred tax not provided amounts to £76,755 (£48,894 -1994), assuming no roll over relief deferrals.

No contingent liability exists in respect of accelerated capital allowances (£ nil -1994).

6. FIXED ASSETS

Group	Freehold property	Office improvements	Motor vehicles	Fixtures & fittings	Total
COST OR VALUATION TO THE GROUP					
At 30 April 1994	680,114	7,341	142,425	31,366	861,246
Additions	533,717	-	29,075	2,735	565,527
Disposals	-	-	(19,322)	-	(19,322)
Revaluation adjustment	111,443	-	-	-	111,443
As at 30 April 1995	<u>£1,325,274</u>	<u>£7,341</u>	<u>£152,178</u>	<u>£34,101</u>	<u>£1,518,894</u>
DEPRECIATION					
At 30 April 1994	-	-	65,810	13,947	79,757
Charge for the year	-	-	23,092	5,038	28,130
Disposals	-	-	(5,983)	-	(5,983)
As at 30 April 1995	-	-	<u>£82,919</u>	<u>£18,985</u>	<u>£101,904</u>
NET BOOK VALUE					
As at 30 April 1995	<u>£1,325,274</u>	<u>£7,341</u>	<u>£69,259</u>	<u>£15,116</u>	<u>£1,416,990</u>
At 30 April 1994	<u>£680,114</u>	<u>£7,341</u>	<u>£76,615</u>	<u>£17,419</u>	<u>£781,489</u>

The directors consider that the market value of freehold properties is in excess of cost. Freehold properties are not depreciated and the directors consider that this policy, which is a departure from statutory accounting requirements, is necessary to provide a true and fair view. The properties are maintained in first class order and all such repair and refurbishment expenditure is charged to the profit and loss account as incurred.

The original cost to the group of the freehold properties is £1,018,253 (1994 - £484,536).

Details of the revaluation reserve adjustment are contained in note 12.

SILVER SKI HOLIDAYS LIMITED

FOR THE YEAR ENDED 30TH APRIL 1995

NOTES TO THE ACCOUNTS

6. FIXED ASSETS

Company	Freehold property	Office improvement	Motor vehicles	Fixtures & fittings	Total
COST					
At 30 April 1994	-	7,341	142,425	31,366	181,132
Additions	-	-	29,075	2,735	31,810
Disposals	-	-	(19,322)	-	(19,322)
					-
As at 30 April 1995	-	£7,341	£152,178	£34,101	£193,620
DEPRECIATION					
At 30 April 1994	-	-	65,810	13,947	79,757
Charge for the year	-	-	23,092	5,038	28,130
Disposals	-	-	(5,983)	-	(5,983)
As at 30 April 1995	-	-	£82,919	£18,985	£101,904
NET BOOK VALUE					
As at 30 April 1995	-	£7,341	£69,259	£15,116	£91,716
At 30 April 1994	-	£7,341	£76,615	£17,419	£101,375

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

	Group 1994	Group 1995	Company 1994	Company 1995
Motor vehicles	£26,922	£31,177	£26,922	£31,177
At net book value				

7. DEBTORS : Amounts falling due within one year	Group 1994	Group 1995	Company 1994	Company 1995
	£	£	£	£
Due from subsidiary	-	-	253,881	363,073
Trade debtors and prepayments	16,762	13,904	16,762	13,904
Other taxation	10,690	5,867	10,690	5,867
Other debtors	-	-	-	-
	£27,452	£19,771	£281,333	£382,844

SILVER SKI HOLIDAYS LIMITED

FOR THE YEAR ENDED 30TH APRIL 1995

NOTES TO THE ACCOUNTS

8. CREDITORS: Amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<u>1994</u>	<u>1995</u>	<u>1994</u>	<u>1995</u>
	£	£	£	£
Overdraft	-	54,162	-	54,162
Trade creditors	101,033	-	101,033	-
Social Security and other tax	9,521	8,561	9,521	8,561
Accruals	34,532	33,385	28,000	19,500
Mortgage loans repayable by instalments	32,495	97,064	-	-
Net obligations under finance leases / hire purchase	12,508	13,868	12,508	13,868
Other loans	60,000	-	60,000	-
Corporation Tax & ACT	24,197	20,444	14,760	16,013
	<u>£274,286</u>	<u>£227,484</u>	<u>£225,822</u>	<u>£112,104</u>

CREDITORS: Amounts falling due after one year

Net obligations under finance leases / hire purchase leases due in years 2-5	12,412	10,273	12,412	10,273
Directors loans (no specified terms of repayment)	15,000	15,000	15,000	15,000
Mortgage loans 2-5 years, payable by instalments	75,740	337,700	-	-
Mortgage loans - over 5 years, payable by instalment	47,338	154,154	-	-
	<u>£150,490</u>	<u>£517,127</u>	<u>£27,412</u>	<u>£25,273</u>

Mortgage loans are secured by first legal charges on the properties owned by the group and on fixtures situated therein. All mortgages are denominated in Swiss Francs, are not hedged and interest rates are variable, based on Swiss base rate.

9. INVESTMENT IN SUBSIDIARY

	£
At 31 May 1994	<u>29,900</u>
At 30 April 1995	<u>29,900</u>

The investment represents the subscription for ordinary share capital in the company's 100 per cent subsidiary, Valsarock Limited.

Valsarock Limited is a company incorporated in England, whose principal activity is that of owning the group's freehold properties.

SILVER SKI HOLIDAYS LIMITED

FOR THE YEAR ENDED 30TH APRIL 1995

NOTES TO THE ACCOUNTS

10. CALLED UP SHARE CAPITAL

	1994	1995
	£	£
Authorised 50,000 Ordinary shares of £1 each	50,000	50,000
Called up share capital:		
Issued and fully paid	30,000	30,000

11. CAPITAL COMMITMENTS

At the balance sheet date the group had no capital commitments either contracted, or authorised but not contracted.

12. REVALUATION RESERVE

	Group	Company
	£	£
Balance at 1 May 1994	195,578	-
Adjustment to revaluation of freehold properties	111,443	-
Balance at 30 April 1995	307,021	-

Freehold properties are owned by Valsarock Limited, a wholly owned subsidiary of Silver Ski Holidays Limited. One property was independently valued by Leon Collombe, Geometres - Expert in September 1990 and the other was valued by C. Maironie, Atelier D'Architecture in June 1994. Properties acquired in the year were independently valued by L'Inspecteur Antonicelli on acquisition. All valuations are on an open market existing use basis and the directors consider the valuations reflect the current values.

13. RECONCILIATION OF SHAREHOLDER FUNDS

	1994	1995
	£	£
Profit for the financial year	76,047	38,101
Dividends	-	-
Shareholder's funds brought forward	282,370	553,995
Revaluation Reserve adjustment	195,578	111,443
Shareholder's funds carried forward	£553,995	£703,539

14. PROFIT OF HOLDING COMPANY

As permitted under Section 230 Companies Act 1985, the profit and loss account of Silver Ski Holidays Limited is not presented as part of these financial statements. A pre-tax profit of £63,504 (1994-£64,112) has been dealt with in the accounts of the holding company.

SILVER SKI HOLIDAYS LIMITED

FOR THE YEAR ENDED 30TH APRIL 1995

NOTES TO THE ACCOUNTS

15. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow from operating activities

	£	£
	1994	1995
Operating profit	121,070	97,959
Depreciation charges	31,341	28,130
Loss on sale of tangible fixed assets	7,055	13,339
(Increase) / decrease in debtors and prepayments	12,239	7,681
Increase / (decrease) in creditors	98,044	(103,140)
Unrealised exchange loss	5,081	22,684
Net cash inflow from operating activities	<u>£274,830</u>	<u>£66,653</u>

(b) Analysis of changes in cash and cash equivalents during the year

Balance at 1 May 1994	169,830
Net cash inflow (outflow)	(212,603)
Balance at 30 April 1995	<u>(£42,773)</u>

(c) Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1994	1995	change in year
	£	£	£
Cash at bank and in hand	169,830	11,389	(158,441)
Short-term investments	-	-	-
Bank overdrafts	-	(54,162)	(54,162)
	<u>£169,830</u>	<u>(£42,773)</u>	<u>(£212,603)</u>

(d) Analysis of changes in financing during the year

	1994	1995	change in year
	£	£	£
Hire purchase	24,920	24,141	(779)
Mortgage loan	155,573	588,918	433,345
Effect of foreign exchange differences	-	-	(22,684)
Other loan	75,000	15,000	(60,000)
	<u>£255,493</u>	<u>£628,059</u>	<u>£349,882</u>