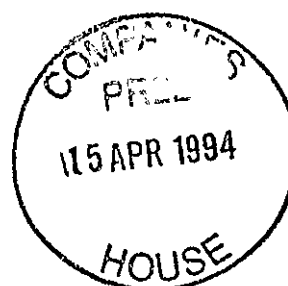




OWNERS ABROAD TOUR OPERATIONS LIMITED

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

for the year ended
31 October 1993



Company Number 1961830

DIRECTORS' REPORT
for the year ended 31 October 1993

FINANCIAL STATEMENTS

The Directors present their report and financial statements of Owners Abroad Tour Operations Ltd, for the year ended 31 October 1993.

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 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; and
- 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.

PRINCIPAL ACTIVITY

The principal activity of the Company is to act as an intermediate holding company.

RESULTS AND DIVIDENDS

The Company received dividend income of £2,015,000 (1992 : £nil) and has paid a dividend of £1,500,000 (1992 : £nil). After tax a profit of £62,000 has been transferred to reserves.

FIXED ASSETS

Movements in fixed assets are explained in note 5.

DIRECTORS AND THEIR INTERESTS

The Directors of the Company are:

D Blastland	
P Cudmore	
R P Davies	
M B Heald	(appointed 1 February, 1994)
D Johnston	(resigned 10 December, 1993)
R G Lewis	
N Morris	(resigned 31 December, 1993)
A Rayner	
K Waller	(resigned 31 December, 1993)

None of the Directors had any beneficial interest in the shares of the Company at any time during the year.

DIRECTORS' REPORT
for the year ended 31 October 1993

DIRECTORS AND THEIR INTERESTS (continued)

At 31 October 1993 the interests of the Directors in the share capital of Owners Abroad Group plc, the ultimate parent company, were as follows:

	At 31 October 1993			At 31 October 1992		
	Ordinary shares Held	Preference Under option	Preference shares Held	Ordinary shares Held	Preference Under option	Preference shares Held
D Blastland	8,774	100,000	-	10,500	342,800	-
P Cudmore	4,596	95,000	648	4,596	95,000	-
R P Davies	2,000	125,000	-	9,308	125,000	-
D Johnston	1,650	119,280	-	22,975	119,280	-
R G Lewis	-	185,000	-	-	185,000	-
N Morris	-	114,280	-	-	114,280	-
A Rayner	-	69,280	-	-	129,980	-
K Waller	16,889	185,000	-	-	185,000	-

DIRECTORS' INSURANCE

The ultimate parent company maintains insurance policies on behalf of all the Directors of Owners Abroad Tour Operations Limited against liability arising from negligence, breach of duty and breach of trust in relation to the Company.

AUDITORS

BDO Binder Hamlyn will not be seeking re-appointment at the forthcoming Annual General Meeting.

A resolution appointing KPMG Peat Marwick auditors of the Company for the year ending 31 October, 1994, will be proposed at the Annual General Meeting, which will also authorise the Directors to fix the remuneration of the auditors.

This report was approved by the Board on 8 February, 1994 .



P. Buckley
Secretary

AUDITORS' REPORT
to the members of OWNERS ABROAD TOUR OPERATIONS LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1, 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 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Binder Hamlyn
Chartered Accountants
Registered Auditors
20 Old Bailey
London
EC4M 7BH

15 March 1994

~~February, 1994~~

PROFIT AND LOSS ACCOUNT
for the year ended 31 October 1993

	Notes	1993 £'000	1992 £'000
Income from shares in subsidiary companies		<u>2,015</u>	<u>-</u>
Profit on ordinary activities before taxation		2,015	-
Tax on ordinary activities	3	<u>(453)</u>	<u>-</u>
Profit on ordinary activities after taxation		1,562	-
Dividend	4	<u>(1,500)</u>	<u>-</u>
Retained profit for the year	9	<u>62</u>	<u>-</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The Company has no other recognised gains or losses for the year.

BALANCE SHEET
as at 31 October 1993

	Notes	1993 £'000	1993 £'000	1992 £'000	1992 £000
FIXED ASSETS					
Investments	5		13,558		2,563
CURRENT ASSETS					
Debtors	6	1,935		373	
CREDITORS: amounts falling due within one year	7	(15,104)		(2,609)	
Net Current Liabilities			(13,169)		(2,236)
Net Assets			389		327
CAPITAL AND RESERVES					
Called up share capital	8		250		250
Profit and loss account	9		139		77
Shareholders' funds			389		327

SHAREHOLDERS' FUNDS

The movement in Shareholders' funds during the year is represented by the retained profit for the year.

The financial statements on pages 4 to 8 were approved by the Board on 8th February, 1994.



M B Heald
Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 1993

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards consistently applied, and on a going concern basis as the Company has been assured of the continuing support of the parent company.

Group financial statements

The Company has not produced group financial statements because it is a wholly owned subsidiary undertaking of a UK company.

2. DIRECTORS' REMUNERATION

The Directors of the Company are all executives of the Company's two trading subsidiaries. They are paid by Owners Abroad Services Limited which makes recharges to the trading subsidiaries for their services.

The remuneration of the Company's directors, as paid by Owners Abroad Services Limited and recharged to the Company's trading subsidiaries, is as follows:

	1993 £'000	1992 £'000
Directors' emoluments consisting of		
Emoluments (including pension contributions)	640	782
Emoluments (excluding pension contributions) of highest paid director	<u>113</u>	<u>148</u>
The emoluments (excluding pension contributions) of the directors fell within the following bands		
	1993	1992
£60,001 - £ 65,000	3	1
£65,001 - £ 70,000	1	1
£70,001 - £ 75,000	2	-
£75,001 - £ 80,000	-	2
£80,001 - £ 85,000	-	1
£100,001 - £105,000	1	1
£110,001 - £115,000	1	-
£125,001 - £130,000	-	1
£145,001 - £150,000	-	1

3. TAXATION

	1993 £'000	1992 £'000
Tax attributable to franked investment income	<u>453</u>	<u>-</u>

4. DIVIDENDS

Ordinary :		
Dividend of £6 per share (1992: fnil)	<u>1,500</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 1993 (continued)

5. INVESTMENTS

Shares in
subsidiary
undertakings
£'000

At 1 November 1992	2,563
Transfers from Group Companies	10,995
At 31 October 1993	<u>13,558</u>

Principal operating subsidiaries	% held	Nature of Business	Country of Registration
Owners Abroad Holidays Limited	100	Tour Operator	England & Wales
Owners Abroad Travel Limited	100	Tour Operator	England & Wales
Owners Abroad Services Limited	100	Provider of Services	England & Wales

6. DEBTORS

1993
£'000

1992
£'000

Amounts owed by subsidiary companies	<u>1,935</u>	<u>373</u>
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7. CREDITORS: amounts falling due
within one year

Amounts owed to parent and fellow subsidiary companies	4,109	2,609
Amounts owed to subsidiary companies	10,995	-
	<u>15,104</u>	<u>2,609</u>

8. CALLED UP SHARE CAPITAL

Authorised, allotted and fully paid 250,000 ordinary shares of £1 each	<u>250</u>	<u>250</u>
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9. PROFIT AND LOSS ACCOUNT

£'000

At 1 November 1992	77
Retained profit for the year	62
At 31 October 1993	<u>139</u>