

# Crystal Holidays Limited

Report and Financial Statements  
For The Fourteen Month Period Ended 31 December  
1999

Company Registration No: 1976915

*12.9.00*  
*14*



# **Crystal Holidays Limited**

## **Report and Financial Statements For The Fourteen Month Period Ended 31 December 1999**

<b>Contents</b>	<b>Page</b>
Officers and professional advisers	1
Directors' report	2
Auditors' report	5
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Notes to the financial statements	10

# **Crystal Holidays Limited**

## **Report and Financial Statements For The Fourteen Month Period Ended 31 December 1999**

### **Officers And Professional Advisers**

#### **Directors**

A Perrin  
A Appleton  
D Rowe  
C Bringham  
J Grieves-Cook  
D Marshall  
A Peters  
S Leak

#### **Company Secretary**

A Appleton

#### **Registered Office**

King's Place  
Wood Street,  
Kingston- Upon- Thames,  
Surrey  
KT1 1JY

#### **Bankers**

Barclays Bank PLC  
PO Box 112  
Horsham  
West Sussex RH 12 1 YQ

#### **Solicitors**

Allen & Overy  
One New Change  
London  
EC4M 9QQ

#### **Auditors**

PricewaterhouseCoopers  
1 Embankment Place  
London  
WC2N 6RH

# Crystal Holidays Limited

## Directors' Report For The Year Ended 31 December 1999

The directors present their report and the audited financial statements for the fourteen month period ended 31 December 1999. The comparative period is the year ended 31 October 1998.

### Activities

The company's principal activity is that of a tour operator.

### Results For The Period, Dividends And Transfers To Reserves

The consolidated loss after tax, as shown in the consolidated profit and loss account, amounted to £1,305,000 (1998 profit: £75,000). The directors do not recommend payment of a dividend (1998: £Nil).

### Review Of Developments And Future Prospects

With effect from 1 November 1997, the trade and assets of American Holidays (NI) Limited and Tropical Places Limited were transferred to the company. On the same date the company changed its name from Tropical Places Limited to Crystal Holidays Limited.

The directors are confident that the company will benefit from considerable synergies as a member of the Thomson Travel Group and that the company is now better placed to continue the growth in profitability of the preceding years and to take greater advantage of future market opportunities.

### Directors And Their Interests

The present membership of the Board is set out on page 1.

The directors' interests in Thomson Travel Group plc share options are as follows:

	At 31 December 1999 £	(i)	Exercise price £	Date from which exercisable	Expiry date
Clive Brigham	* 29,108 29,108		1.0	9-10-2001	9-10-2008
Simon Leak	* 18,692 15,008 33,700		1.0 0.8	10-03-2002 1-12-2004	10-3-2009 1-6-2005
Debbie Marshall	20,250 20,250		1.0	10-3-2002	10-3-2009
Andrew Peters	* 19,782 15,008 34,790		1.0 0.8	10-3-2002 1-12-2004	10-3-2009 1-6-2005

\* Sharesave options

(i) Nil at 1 November 1998

The interests of Mr A Perrin, Mr A Appleton and Mr D Rowe are disclosed in the Crystal International Travel Group Limited report and accounts.

# **Crystal Holidays Limited**

## **Directors' Report (Continued)**

### **Disabled Persons**

It is the policy of the company to give full and fair consideration to suitable applications for employment by disabled persons. Opportunities also exist for employees who become disabled to continue in their employment where feasible, or to be trained for other positions within the company. The company does not discriminate against disabled persons in respect of the selection of employees for promotion and career development, although account is taken of the suitability of candidates for the positions available.

### **Employee Involvement**

During the period the company involved employees in the management of the business. This was carried out, in particular, by giving regular briefings to managers on financial performance, future plans and other issues of importance.

### **Year 2000**

The company experienced no disruption or malfunction subsequent to the turn of the year arising from its own computer systems or equipment with embedded date-reliant computer chips.

The lack of disruption from the company's own systems and equipment is attributable to: (i) the analysis of risks carried out in 1999 to determine the impact of the year 2000 problem on our activities; and (ii) the consequential modifications to, or replacement of, hardware and software suspected of harbouring the faulty date-reliant software or computer chips that were carried out during 1999.

### **Introduction of the Euro**

The third stage of European Economic and Monetary Union (EMU) was reached on 1 January 1999 with the introduction of the Euro. The company has operations in countries that entered the Common Currency System on 1 January 1999 and others, such as the UK which may enter at a later date.

The directors have reviewed the business opportunities and risk associated with the change in currency and have commenced the appropriate amendments to company policies, procedures and systems to support the use of the Euro as a transactional currency.

# **Crystal Holidays Limited**

## **Directors' Report For The Year Ended 31 October 1999 (Continued)**

### **Statement Of Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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;
- prepare the financial statements on a 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. 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.

### **Auditors**

PricewaterhouseCoopers have expressed their willingness to be reappointed as auditors, and a resolution to do so will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



A M Perrin  
Director

4 August 2000

## **Auditors' Report To The Members Of Crystal Holidays Limited**

We have audited the financial statements on pages 7 to 19.

### **Respective Responsibilities Of Directors And Auditors**

The directors are responsible for preparing the Annual Report. As described on page 4 this includes responsible for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanation we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implication for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **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.

**Auditors' Report To The Members Of  
Crystal Holidays Limited** (Continued)

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 1999 and of the profit of the group for the fourteen month period then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and  
Registered Auditors  
London

4 August 2000



**Crystal Holidays Limited**  
(formerly Tropical Places Limited)

**Consolidated Profit And Loss Account For The Fourteen Month Period  
Ended 31 December 1999**

	<i>Note</i>	14 months ended December 1999 £'000	Year ended 31 October 1998 £'000
Turnover	2	203,184	180,439
Cost Of Sales		(182,721)	(162,575)
Gross Profit		20,463	17,864
Administrative Expenses (including exceptional items)		(22,032)	(17,758)
Operating loss before exceptional item		(459)	(106)
Exceptional item	4	(1,110)	-
<b>Operating Loss</b>	4	<b>(1,569)</b>	<b>(106)</b>
Interest receivable and similar income	6	971	935
Interest payable and similar charges	7	(436)	(648)
Net interest receivable		535	287
<b>(Loss)/Profit On Ordinary Activities Before Taxation</b>		<b>(1,034)</b>	<b>393</b>
Tax on profit on ordinary activities	5	(271)	(318)
<b>(Loss)/Profit On Ordinary Activities After Taxation</b>	16	<b>(1,305)</b>	<b>75</b>
<b>Transferred to Reserves</b>		<b>(1,305)</b>	<b>75</b>

These are no recognised gains or losses other than the profit for the current financial year.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

Turnover and operating profit all derive from continuing operations.

# Crystal Holidays Limited

## Consolidated Balance Sheet As At 31 December 1999

		31 December 1999 £'000	31 October 1998 £'000
	Note		
<b>Fixed Assets</b>			
Intangible assets	8	10,344	11,020
Tangible assets	9	2,109	2,132
		<b>12,453</b>	<b>13,152</b>
<b>Current Assets</b>			
Debtors	11	33,820	30,450
Cash at bank and in hand		18,702	6,294
		<b>52,522</b>	<b>36,744</b>
<b>Creditors: Amounts Falling Due Within One Year</b>	12	<b>(65,738)</b>	<b>(49,354)</b>
<b>Net Current Liabilities</b>		<b>(13,216)</b>	<b>(12,610)</b>
<b>Total Assets Less Current Liabilities</b>		<b>(763)</b>	<b>542</b>
<b>Net (Liabilities)/Assets</b>		<b>(763)</b>	<b>542</b>
<b>Capital And Reserves</b>			
Called up share capital	14	100	100
Profit and loss account	15	(863)	442
<b>Total Equity Stockholder's (Deficit)/Funds</b>		<b>(763)</b>	<b>542</b>

The financial statements on pages 7 to 19 were approved by the Board of Directors on 4 August 2000.

Signed on behalf of the Board of Directors



A M Perrin  
Director

# Crystal Holidays Limited

## Company Balance Sheet As At 31 December 1999

	Note	31 December 1999 £'000	31 October 1998 £'000
<b>Fixed Assets</b>			
Intangible assets	8	9,183	9,784
Tangible assets	9	2,049	2,067
Investments	10	1,831	1,831
		<b>13,063</b>	<b>13,682</b>
<b>Current Assets</b>			
Debtors	11	24,279	21,353
Cash at bank and in hand		12,914	6,293
		<b>37,193</b>	<b>27,646</b>
<b>Creditors: Amounts Falling Due Within One Year</b>	12	<b>(51,034)</b>	<b>(40,822)</b>
<b>Net Current Liabilities</b>		<b>(13,841)</b>	<b>(13,176)</b>
<b>Total Assets Less Current Liabilities</b>		<b>(778)</b>	<b>506</b>
<b>Net (Liabilities)/Assets</b>		<b>(778)</b>	<b>506</b>
<b>Capital And Reserves</b>			
Called up share capital	14	100	100
Profit and loss account		(878)	406
<b>Total Equity Shareholder's (Deficit)/Funds</b>		<b>(778)</b>	<b>506</b>

The financial statements on pages 7 to 19 were approved by the Board of Directors on 4 August 2000.

Signed on behalf of the Board of Directors



A M Perrin  
Director

# Crystal Holidays Limited

## Notes To The Financial Statements For The Fourteen Month Period Ended 31 December 1999

### 1 Accounting Policies

The financial statements are prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards.

The accounts have been prepared on a going concern basis as Thomson Travel Group plc, the ultimate parent company, has indicated its willingness to support the ongoing operations of the company, should it be required, to ensure the company is able to meet its commitments as and when they fall due for a period of at least twelve months from 4 August 2000.

#### Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The Group does not depreciate freehold property. The rates of depreciation on other fixed assets are as follows:

Computer equipment	over 3-5 years
Fixtures, fittings and other equipment	over 10 years
Leasehold improvements	over the term of the lease

#### Stock

Stock has been stated at the lower of cost or net realisable value.

#### Deferred taxation

Deferred tax is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

#### Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at average forward rates. The majority of assets receivable and payable in foreign currencies are hedged by future foreign exchange contracts and are translated into sterling at the contracted rates. Amounts not hedged by such contracts are translated at the balance sheet date at the rates ruling at that date. Translation differences are dealt with in the profit and loss account.

#### Pension costs

The company operates both defined contribution schemes, and defined benefit schemes on behalf of its employees and directors. The assets of the schemes are held separately from those of the company in independently administered funds. The pension costs of the defined contribution scheme are charged to the profit and loss account as they are incurred. The expected costs of providing pensions under defined benefit schemes, as calculated by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of the employees in the scheme in such a way that the pension cost is a substantial level percentage of current and expected future pensionable payroll.

#### Forward Seasons' Expenditure

Expenditure on marketing costs relating to future seasons is carried forward as part of prepayments and charged against the revenue of the relevant season.

# Crystal Holidays Limited

## Notes To The Financial Statements

For The Fourteen Month Period Ended 31 December 1999 (Continued)

### 1 Accounting Policies (Continued)

#### Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual instalments over the period of the lease.

#### Goodwill

Goodwill arising on acquisitions (representing the excess of the fair value of the consideration given, over the fair value of the net assets acquired), is carried in the balance sheet and amortised over its estimated useful life, not exceeding 20 years.

### 2 Turnover

Turnover represents the gross value of flights and holidays which have departed in the accounting period.

In the opinion of the directors, provision of additional segmental information as required by the Companies Act 1985 would be seriously prejudicial to the interests of the group. The information has therefore not been disclosed as permitted by Paragraph 55(5) of Schedule 4 to the Companies Act 1985.

### 3 Information Regarding Directors And Employees

	14 months ended 31 December 1999 £'000	Year ended 31 October 1998 £'000
<b>Directors' emoluments</b>		
Total directors' emoluments (excluding pension contributions)	761	744
Company pension contributions to money purchase scheme	102	118
Remuneration of highest paid director (excluding pension contributions)	132	94
Contributions to money purchase scheme for highest paid director	25	63
<b>Average number of persons employed</b>	<b>No.</b>	<b>No.</b>
Sales and administration	399	327
	£'000	£'000
<b>Staff costs during the period (including directors)</b>		
Wages and salaries	7,412	6,071
Social security costs	674	499
Pension costs	193	204
	8,279	6,774

# Crystal Holidays Limited

## Notes To The Financial Statements

For The Fourteen Month Period Ended 31 December 1999 (Continued)

### 4 Consolidated Operating Profit

	14 months ended 31 December 1999 £'000	Year ended 31 October 1998 £'000
<b>Operating profit is after charging</b>		
Depreciation	591	562
Rentals under operating leases	432	447
Auditors' remuneration - audit fees	67	75
Auditors' remuneration - other	-	-
Amortisation of goodwill	676	580
Exchange (gains)/losses	(231)	550

The company's audit fee was £45,000 (1998: £50,000)

#### Exceptional items

Relocation expenses	1,110	-
---------------------	-------	---

The exceptional item relates to the company's relocation from its premises in East Grinstead, Twickenham and Surbiton, to its current location in Kingston-upon-Thames.

### 5 Tax On Consolidated Profit On Ordinary Activities

	14 months ended 31 December 1999 £'000	Year ended 31 October 1998 £'000
United Kingdom corporation tax at 30.36% (1998: 31.83%)	271	318

### 6 Interest Receivable and Similar Income

	14 months ended 31 December 1999 £'000	Year ended 31 October 1998 £'000
Interest receivable from group undertakings	360	-
Bank interest receivable	611	935
	971	935

# Crystal Holidays Limited

## Notes To The Financial Statements

For The Fourteen Month Period Ended 31 December 1999 (Continued)

### 7 Interest Payable and Similar Charges

	14 months ended 31 December 1999 £'000	Year ended 31 October 1998 £'000
Interest payable to group undertakings	23	-
Bank loans, overdrafts and other loans	413	648
	<b>436</b>	<b>648</b>

### 8 Intangible Assets

	Group £'000	Company £'000
<b>Goodwill</b>		
<b>Cost</b>		
At 1 November 1998	11,600	10,299
Additions	-	-
<b>At 31 December 1999</b>	<b>11,600</b>	<b>10,299</b>
<b>Aggregate amortisation</b>		
At 1 November 1998	580	515
Charge for the year	676	601
<b>At 31 December 1999</b>	<b>1,256</b>	<b>1,116</b>
<b>Net book amount at 31 December 1999</b>	<b>10,344</b>	<b>9,183</b>
Net book amount at 31 October 1998	11,020	9,784

# Crystal Holidays Limited

## Notes To The Financial Statements

For The Fourteen Month Period Ended 31 December 1999 (Continued)

### 9 Tangible Fixed Assets

	Freehold Property £'000	Computer equipment £'000	Fixtures, fittings and other equipment £'000	Motor Vehicles £'000	Total £'000
<b>Group</b>					
<b>Cost</b>					
At 1 November 1998	855	3,142	1,138	62	5,197
Additions	172	203	202	-	577
Disposals	-	(176)	(146)	-	(322)
<b>At 31 December 1999</b>	<b>1,027</b>	<b>3,169</b>	<b>1,194</b>	<b>62</b>	<b>5,452</b>
<b>Accumulated depreciation</b>					
At 1 November 1998	-	2,316	693	56	3,065
Charge for the period	-	486	105	-	591
Disposals	-	(167)	(146)	-	(313)
<b>At 31 December 1999</b>	<b>-</b>	<b>2,635</b>	<b>652</b>	<b>56</b>	<b>3,343</b>
<b>Net book amount</b>					
<b>At 31 December 1999</b>	<b>1,027</b>	<b>534</b>	<b>542</b>	<b>6</b>	<b>2,109</b>
At 31 October 1998	855	826	445	6	2,132
<b>Company</b>					
<b>Cost</b>					
At 1 November 1998	855	3,135	1,071	62	5,123
Additions	172	203	192	-	567
Disposals	-	(175)	(146)	-	(322)
<b>At 31 December 1999</b>	<b>1,027</b>	<b>3,163</b>	<b>1,117</b>	<b>62</b>	<b>5,369</b>
<b>Accumulated depreciation</b>					
At 1 November 1998	-	2,310	690	56	3,056
Charge for the period	-	478	99	-	577
Disposals	-	(167)	(146)	-	(313)
<b>At 31 December 1999</b>	<b>-</b>	<b>2,621</b>	<b>643</b>	<b>56</b>	<b>3,320</b>
<b>Net book amount</b>					
<b>At 31 December 1999</b>	<b>1,027</b>	<b>542</b>	<b>474</b>	<b>6</b>	<b>2,049</b>
At 31 October 1998	855	825	381	6	2,067



# Crystal Holidays Limited

## Notes To The Financial Statements

For The Fourteen Month Period Ended 31 December 1999 (Continued)

### 10 Investments - Company

	1999 £'000	1998 £'000
Subsidiary shareholdings in group undertakings at cost	1,831	1,831

The company holds investments in the following subsidiary undertakings which have been consolidated:

Name of company	Holding	Country of incorporation	Proportion held	Nature of business
Jersey Travel Services Limited	Ordinary shares	Great Britain	100%	Non-trading
Guernsey Travel Services Limited	Ordinary shares	Great Britain	100%	Non-trading
Crystal Dial Limited	Ordinary shares	Great Britain	100%	Wholesale tour operator

These investments were acquired on 1 November 1998 when the net assets and trade of Tropical Places Limited were transferred to the company.

### 11 Debtors

	Group		Company	
	1999 £'000	1998 £'000	1999 £'000	1998 £'000
Trade debtors	12,422	10,544	12,422	10,414
Amounts owed by group undertakings	4,306	2,177	2,925	3,954
Corporation tax recoverable	-	130	-	130
Group relief receivable	81	107	2,559	3,323
Other debtors	978	437	964	437
Prepayments and accrued income	16,033	17,055	5,409	3,095
	33,820	30,450	24,279	21,353

# Crystal Holidays Limited

## Notes To The Financial Statements

For The Fourteen Month Period Ended 31 December 1999 (Continued)

### 12 Creditors: Amounts Falling Due Within One Year

	Group		Company	
	1999	1998	1999	1998
	£'000	£'000	£'000	£'000
Bank overdrafts	15,351	2,924	20	-
Trade creditors	2,121	11,278	608	6,194
Amounts owed to group undertakings	4,476	6,629	7,032	6,629
Taxation and social security	422	521	-	-
Other creditors	610	114	619	111
Accruals and deferred income	42,758	27,888	42,755	27,888
	65,738	49,354	51,034	40,822

### 13 Deferred Taxation

No provision has been made for deferred taxation (1998: £nil). The major components of the potential amounts not provided are:

	1999	1998
	£'000	£'000
Accelerated capital allowances	(10)	(10)
Other short term timing differences	-	-
	(10)	(10)

### 14 Called Up Share Capital

	31 December 1999 £'000	31 October 1998 £'000
Authorised: 100,000 ordinary shares of £ 1 each	100	100
Called up, allotted and fully paid 100,000 ordinary shares of £1 each	100	100

# Crystal Holidays Limited

## Notes To The Financial Statements

For The Fourteen Month Period Ended 31 December 1999 (Continued)

### 15 Consolidated Profit And Loss Account

	1999 £'000	1998 £'000
Balance at beginning of financial period/year	442	367
Retained profit for the period	(1,305)	75
Balance at end of financial period/year	(863)	442

The parent company's loss after taxation and dividends for the period amounted to £1,284,000 (1998 profit: £39,000). The parent company's profit includes income accrued in respect of a dividend of £6,250,000 from its subsidiary Crystal Dial Limited (1998: £8,000,000).

### 16 Reconciliation Of Movements In Consolidated Shareholder's Funds

	14 months ended 31 December 1999 £'000	Year ended 31 October 1998 £'000
(Loss)/profit for the period	(1,305)	75
Net (decrease)/increase in shareholder's funds	(1,305)	75
Opening shareholder's funds	542	467
Closing shareholder's (deficit)/funds	(763)	542

# Crystal Holidays Limited

## Notes To The Financial Statements

For The Fourteen Month Period Ended 31 December 1999 (Continued)

### 17 Future Commitments

#### a) Operating lease commitments

At 31 December 1999 the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings £'000	Other £'000	Total £'000
Leases which expire			
Within 1 year	-	8	8
Within 2 to 5 years	96	82	178
After 5 years	950	-	950

#### b) Forward currency commitments

At 31 December 1999 the company and subsidiaries had contracts to purchase foreign currency for £61,176,327 (1998: £62,489,692) at future dates in order to pay liabilities not yet incurred.

### 18 Cashflow Statement and Related Party Transactions

The Company is a wholly owned subsidiary of Thomson Travel Group plc ('TTG') and is included in the consolidated financial statements of TTG which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cashflow statement under the terms of Financial Reporting Standard 1. The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of TTG or investees of TTG.

During the period £ 146,218 (1998: £32,920) was paid to Game Watchers Safaris Limited, a company incorporated in Kenya of which J Grieves-Cook was a director during the period. These payments were made in the ordinary course of business in relation to the Safari element of some of the company's African holidays. There were no outstanding balances with the company at the period end (1998: £nil).

### 19 Ultimate Parent Companies

Within the meaning of the Companies Act 1985, the company's immediate parent undertaking is Airborne Travel (Holdings) Limited, a wholly owned subsidiary of Crystal International Travel Group Limited. Thomson Travel Group plc ('TTG') is the company's ultimate parent undertaking and is incorporated in England and Wales.

TTG is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the TTG annual report are available by writing to the Company Secretary, Greater London House, Hampstead Road, London, NW1 7SD.

# Crystal Holidays Limited

## Notes To The Financial Statements

For The Fourteen Month Period Ended 31 December 1999 (Continued)

### 20 Pension Schemes

The company operates defined contribution schemes on behalf of its employees. The assets of the schemes are held separately from those of the company in independently administered funds. Pension costs are charged to the profit and loss account as they are incurred.

The group operates a defined benefit pension scheme for all qualifying employees. The assets of the scheme are held in separate trustee administered funds. The scheme is subject to triennial valuation by independent actuaries, the last valuation being carried out as at 6 April 1998, using the projected unit method, in which the actuarial liability makes allowances for projected earnings. The following actuarial assumptions were applied:

Investment returns	8% per annum
Salary growth	6% per annum.

At the last actuarial valuation date, the market value of the assets of the scheme was £2,951,000 and this actuarial value was sufficient to cover 102% of the benefits which had accrued to members, after allowing for expected future increases in earnings. The employer's contribution rate over the average remaining service lives of the members of the scheme takes account of the surplus disclosed by the valuation.

### 21 Contingent Liabilities

	1999 £'000	1998 £'000
Bank guarantees	674	306

The guarantees are in respect of performance bonds for several key suppliers.

A cross guarantee dated October 1997 exists between the company, Crystal International Travel Group Limited, Crystal Dial Limited and Charles Grimsey Associates Limited. The bank accounts to which the cross guarantee relates were in surplus as at 31 December 1999.

On 30 August 1985 Jersey Travel Services Limited entered into a property lease which expires on 24 June 2010 at an annual rental of £7,260 plus an annual service charge of £500. On 20 February 1991 the company assigned its interest to a third party. Under the terms of the lease the company remains responsible for the payment of the rent for the remaining term of the lease should the underlessee fail to honour its obligations. At the balance sheet date the contingent liability for the unexpired portion of the lease amounted to £76,230. This contingent liability is based upon the rent as charged at the date of the assignment. No details of the present rental charge are available and because the lease allows for upward rental revisions only the contingent liability may be understated by the amount of any subsequent increases.