

JETSET EUROPE LIMITED

AND SUBSIDIARY UNDERTAKING

Company no:  
2223775

✓

ANNUAL ACCOUNTS

for the year ended 31st October 1994

MOORES ROWLAND  
MANCHESTER



JETSET EUROPE LIMITED AND SUBSIDIARY UNDERTAKING

Directors: J.W. Bond - Canada  
D.M. Grant - Australia  
D.R. Clarke - Australia (appointed 31st December 1994)

DIRECTORS REPORT

The directors present their annual report and the accounts for the year ended 31st October 1994.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group was that of tour operator.

The directors were satisfied with the trading results for the year and consider the company's financial position at the end of the year to be sound.

RESULTS AND DIVIDENDS

The profit for the year is shown in the profit and loss account on page 4.

The directors do not recommend the payment of any dividend (1993: £ Nil).

FIXED ASSETS

The movement in fixed assets are as shown in notes 8 and 9 to the accounts.

DIRECTORS AND INTERESTS IN SHARES

The directors, who served during the year, are shown at the head of this report.

J.W. Bond holds 140,000 "A" ordinary shares of £1 each, neither of the other directors had a shareholding interest required to be disclosed by the Companies Act 1985.

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the financial year. In doing so, the directors are required to:

- a) select suitable accounting policies and apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) prepare the accounts 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 that disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure that the accounts 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.

JETSET EUROPE LIMITED AND SUBSIDIARY UNDERTAKING

DIRECTORS REPORT (continued)

AUDITORS

A resolution for the reappointment of Messrs. Moores Rowland, Chartered Accountants, will be considered at the annual general meeting.

By order of the Board

*M. J. Beard*

M.J. Beard  
Secretary

Registered Office:

52, George Street,  
Manchester.

8th February 1995.

AUDITORS REPORT TO THE MEMBERS OF  
JETSET EUROPE LIMITED

We have audited the accounts on pages 4 to 15.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the directors report, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

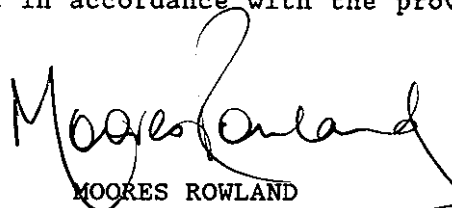
BASIS OF OPINION

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's and the group's affairs at 31st October 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

  
MOORES ROWLAND

Chartered Accountants  
Registered Auditors

Wilmslow,  
Cheshire.

17th February 1995.

JETSET EUROPE LIMITED AND SUDSIDIARY UNDERTAKINGCONSOLIDATED PROFIT AND LOSS ACCOUNTfor the year ended 31st October 1994

	Notes	£	1993 £
TURNOVER	2		
Continuing operations		25,942,302	13,051,631
Discontinued operations		-	577,841
		-----	-----
		25,942,302	13,629,472
Cost of sales	3	23,844,465	12,484,077
		-----	-----
GROSS PROFIT		2,097,837	1,145,395
Net operating expenses	3	2,107,972	1,107,991
		-----	-----
Operating profit:			
Continuing operations		(10,135)	86,486
Discontinued operations		-	(49,082)
		-----	-----
		(10,135)	37,404
Interest payable	4	631	-
		-----	-----
		(10,766)	37,404
Investment income	5	91,099	44,129
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	80,333	81,533
Tax on profit on ordinary activities	7	23,143	37,794
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		57,190	43,739
		-----	-----
RETAINED PROFIT FOR THE YEAR		57,190	43,739
Goodwill arising on consolidation		-	(2,673)
Surplus/(Loss) on exchange on consolidation		3,740	(1,065)
Retained profit brought forward		40,103	102
		-----	-----
RETAINED PROFIT CARRIED FORWARD		£101,033	£40,103
		=====	=====

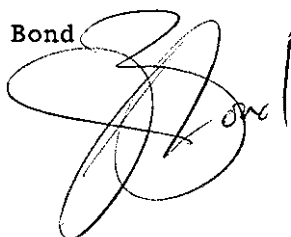
All recognised gains and losses are included in the profit and loss account.

JETSET EUROPE LIMITED AND SUBSIDIARY UNDERTAKINGCONSOLIDATED BALANCE SHEETas at 31st October 1994

	Notes	£	£	1993 £
<b>FIXED ASSETS</b>				
Tangible	8		111,829	112,488
<b>CURRENT ASSETS</b>				
Debtors	10	1,900,850		878,108
Cash at bank and in hand		3,011,185		3,287,124
		-----		-----
		4,912,035		4,165,232
CREDITORS - amounts falling due within one year	11	4,542,031		4,015,217
		-----		-----
NET CURRENT ASSETS			370,004	150,015
TOTAL ASSETS LESS CURRENT LIABILITIES			-----	-----
			481,833	262,503
CREDITORS - amounts falling due after more than one year	12	175,000		15,000
<b>PROVISION FOR LIABILITY</b>				
Deferred taxation		5,800		7,400
		-----		-----
			180,800	22,400
			-----	-----
			£301,033	£240,103
			=====	=====
<b>CAPITAL AND RESERVES</b>				
Share capital	13	200,000		200,000
Revenue reserves	14	101,033		40,103
		-----		-----
			£301,033	£240,103
			=====	=====

Approved by the board on 8th February 1995:

J. Bond

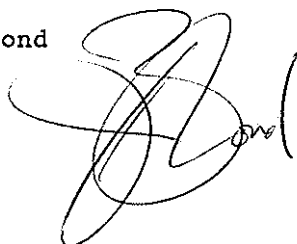


JETSET EUROPE LIMITEDBALANCE SHEETas at 31st October 1994

	Notes	£	£	1993 £
FIXED ASSETS				
Tangible	8		109,276	108,967
Investments	9		30,000	30,000
			-----	-----
			139,276	138,967
CURRENT ASSETS				
Debtors	10	1,690,244	711,502	
Cash at bank and in hand		2,202,200	2,254,993	
		-----	-----	
		3,892,444	2,966,495	
CREDITORS - amounts falling due within one year	11	3,563,811	2,852,918	
		-----	-----	
NET CURRENT ASSETS			328,633	113,577
			-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES			467,909	252,544
CREDITORS - amounts falling due after more than one year	12	175,000	15,000	
PROVISION FOR LIABILITY				
Deferred taxation		5,800	7,400	
		-----	-----	
			180,800	22,400
			-----	-----
			£287,109	£230,144
			=====	=====
CAPITAL AND RESERVES				
Share capital	13	200,000		200,000
Revenue reserves	14	87,109		30,144
		-----		-----
			£287,109	£230,144
			=====	=====

Approved by the board on 8th February 1995:

J. Bond



JETSET EUROPE LIMITED AND SUBSIDIARY UNDERTAKINGCASH FLOW STATEMENTas at 31st October 1994

	£	£	1993 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		(271,846)	2,781,401
SERVICING OF FINANCE			
Interest received	91,099		44,129
Interest paid	(631)		-
	-----		-----
Net cash outflow from servicing of finance		90,468	44,129
TAXATION			
Corporation tax paid		(66,768)	-
INVESTING ACTIVITIES			
Purchase of subsidiary undertaking	-		(30,000)
Less cash and cash equivalents acquired	-		408,741
	-----		-----
Net cash inflow on acquisition	-		378,741
Purchase of tangible fixed assets	(31,893)		(106,206)
Sale of intangible fixed assets	4,100		20,000
	-----		-----
Net cash outflow from investing activities		(27,793)	292,535
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		----- (275,939)	----- 3,118,065
FINANCING			
Issue of shares	-		170,000
	-----		-----
Net cash inflow from financing		-	170,000
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		----- £(275,939) =====	----- £3,288,065 =====

Further information is included in Note 15 to the accounts.

JETSET EUROPE LIMITED AND SUBSIDIARY UNDERTAKINGNOTES TO THE ANNUAL ACCOUNTS

## 1. ACCOUNTING POLICIES

The annual accounts have been prepared under the historical cost convention using the following accounting policies:

## CONSOLIDATION OF SUBSIDIARY UNDERTAKING

The consolidated accounts incorporate the results of the parent company and its subsidiary undertaking. The method of accounting adopted in consolidating the net assets of the acquired undertaking was under acquisition accounting provisions.

Under section 230 of the Companies Act 1985, the company claims exemption from presenting its own profit and loss account.

## DEPRECIATION OF TANGIBLE FIXED ASSETS

Fixed assets have been depreciated by the reducing balance method, so as to write them off over their anticipated useful lives, at the following annual rates:

Leasehold improvements	over the term of the lease
Computer, fixtures and equipment	20%
Motor vehicles	25%

## OPERATING LEASES

The annual rentals under operating leases are charged to the profit and loss account as incurred.

## PENSION FUNDS

The company operates defined contribution, money purchase, externally funded pension schemes covering certain directors and key employees. Contributions are charged against profits in the period in which they are paid.

## DEFERRED TAXATION

Deferred taxation has been provided, at the relevant rate, for all timing differences expected to reverse in the foreseeable future.

## TURNOVER

Turnover represents sales to customers outside the group at invoiced amounts, less Value Added Tax.

## FOREIGN CURRENCIES

Foreign currency assets and liabilities have been translated at the rates ruling at the balance sheet date. The profit and loss account has been translated using the average rate throughout the year.

## JETSET EUROPE LIMITED AND SUBSIDIARY UNDERTAKING

## NOTES TO THE ANNUAL ACCOUNTS (continued)

## 2. TURNOVER

All the turnover of the group has been derived from the principal activity of tour operator.

	The group		The company	
	1994	1993	1994	1993
	£	£	£	£
The geographical analysis is as follows:				
Sales to United Kingdom	19,403,133	10,020,297	19,403,133	10,020,297
Rest of Europe	6,539,169	3,609,175	99,520	22,106
	-----	-----	-----	-----
	£25,942,302	£13,629,472	£19,502,653	£10,042,403
	=====	=====	=====	=====

## 3. COST OF SALES AND NET OPERATING EXPENSES

	1994	1993	1993	1993
	Continuing	Continuing	Discontinuing	TOTAL
	£	£	£	£
The Group				
Cost of sales	23,844,465	11,953,781	530,296	12,484,077
	=====	=====	=====	=====
Administrative costs	2,107,972	1,011,364	96,627	1,107,991
	=====	=====	=====	=====
The Company				
Cost of sales	17,844,771	8,615,835	530,296	9,146,131
	=====	=====	=====	=====
Administrative costs	1,656,037	783,989	96,627	880,616
	=====	=====	=====	=====

The continuing operation for 1993 relate to acquisitions.

## 4. INTEREST PAYABLE

	The group		The company	
	1994	1993	1994	1993
	£	£	£	£
Bank loans and overdrafts wholly repayable within 5 years	385	-	385	-
Interest paid on overdue tax	246	-	246	-
	-----	-----	-----	-----
	£631	£ Nil	£631	£Nil
	=====	=====	=====	=====

## 5. INVESTMENT INCOME

Bank interest receivable	13,094	14,107	13,094	6,764
Other interest receivable	78,005	30,022	60,981	30,022
	-----	-----	-----	-----
	£91,099	£44,129	£74,075	£36,786
	=====	=====	=====	=====

## JETSET EUROPE LIMITED AND SUBSIDIARY UNDERTAKING

## NOTES TO THE ANNUAL ACCOUNTS (continued)

	The group		The company	
	1994	1993	1994	1993
	£	£	£	£
6. PROFIT ON ORDINARY ACTIVITIES				
Profit on ordinary activities has been arrived at after charging:				
Depreciation of fixed assets	28,184	15,570	27,102	15,001
Directors' emoluments	59,613	64,892	59,613	64,892
Directors pension contributions	4,400	2,400	4,400	2,400
Auditors' remuneration	15,000	15,000	12,500	12,500
Operating lease rentals - plant	2,656	-	2,656	-
- other	51,875	43,518	47,270	38,875
	=====	=====	=====	=====

## 7. TAXATION

The charge for the year is as follows:

Corporation tax, at current rates on the profit for the year	24,819	30,394	20,000	15,000
Overprovision in earlier years	(76)	-	(76)	-
Deferred taxation	(1,600)	7,400	(1,600)	7,400
	-----	-----	-----	-----
	£23,143	£37,794	£18,324	£22,400
	=====	=====	=====	=====

## 8. TANGIBLE FIXED ASSETS

The Group	Leasehold Property	Computer, Fixtures & Equipment	Motor Vehicles	TOTAL
	£	£	£	£
COST				
At 1st November 1993	16,721	89,935	20,505	127,161
Additions	-	19,200	12,695	31,895
Disposals	-	-	(5,565)	(5,565)
	-----	-----	-----	-----
At 31st October 1994	16,721	109,135	27,635	153,491
	=====	=====	=====	=====
DEPRECIATION				
At 1st November 1993	1,398	10,285	2,990	14,673
Provided this year	1,393	20,556	6,235	28,184
Eliminated on disposals	-	-	(1,195)	(1,195)
	-----	-----	-----	-----
At 31st October 1994	2,791	30,841	8,030	41,662
	=====	=====	=====	=====
NET BOOK VALUE				
At 1st November 1993	£15,323	£79,650	£17,515	£112,488
	=====	=====	=====	=====
At 31st October 1994	£13,930	£78,294	£19,605	£111,829
	=====	=====	=====	=====

## JETSET EUROPE LIMITED AND SUBSIDIARY UNDERTAKING

## NOTES TO THE ANNUAL ACCOUNTS (continued)

## 8. TANGIBLE FIXED ASSETS (continued)

The Company	Leasehold Improvements £	Computer, Fixtures & Equipment £	Motor Vehicles £	TOTAL £
COST				
At 1st November 1993	16,721	84,632	20,505	121,858
Additions	-	19,086	12,695	31,781
Disposals	-	-	(5,565)	(5,565)
	-----	-----	-----	-----
At 31st October 1994	16,721	103,718	27,635	148,074
	=====	=====	=====	=====
DEPRECIATION				
At 1st November 1993	1,398	8,503	2,990	12,891
Provided this year	1,393	19,474	6,235	27,102
Eliminated on disposals	-	-	(1,195)	(1,195)
	-----	-----	-----	-----
At 31st October 1994	2,791	27,977	8,030	38,798
	=====	=====	=====	=====
NET BOOK VALUE				
At 1st November 1993	£15,323	£76,129	£17,515	£108,967
	=====	=====	=====	=====
At 31st October 1994	£13,930	£75,741	£19,605	£109,276
	=====	=====	=====	=====

The Company  
1994                  1993  
£                      £

## 9. FIXED ASSET INVESTMENTS

Investment in subsidiary at cost	£30,000	£30,000
	=====	=====

The subsidiary undertaking, wholly owned and registered in Germany is Jetset Tours (Deutschland) GmbH, whose principal activity is a tour operator.

## 10. DEBTORS

	The group 1994 £	1993 £	The company 1994 £	1993 £
Trade debtors	1,675,360	742,813	1,296,584	521,151
Amounts due from subsidiary undertaking	-	-	198,677	72,651
Taxation	126,038	75,276	96,503	64,401
Other debtors	2,529	4,551	2,529	4,390
Prepayments and accrued income	96,923	55,468	95,951	48,909
	-----	-----	-----	-----
	£1,900,850	£878,108	£1,690,244	£711,502
	=====	=====	=====	=====

## JETSET EUROPE LIMITED AND SUBSIDIARY UNDERTAKING

## NOTES TO THE ANNUAL ACCOUNTS (continued)

	The group		The company	
	1994	1993	1994	1993
	£	£	£	£
11. CREDITORS - amounts falling due within one year				
Trade creditors	4,446,097	3,885,501	3,472,195	2,749,494
Taxation and social security	34,762	56,042	34,762	32,074
Accruals and deferred income	61,172	73,674	56,854	71,350
	-----	-----	-----	-----
	£4,542,031	£4,015,217	£3,563,811	£2,552,918
	=====	=====	=====	=====

## 12. CREDITORS - amounts falling due after more than one year

Subordinated loan	160,000	-	160,000	-
Directors loan account	15,000	£15,000	£15,000	£15,000
	-----	-----	-----	-----
	£175,000	£15,000	£175,000	£15,000
	=====	=====	=====	=====

Both the subordinated and directors loan accounts are irrevocable while the company holds any air travel organisers licence, unless written consent of the Civil Aviation Authority is obtained for the repayment.

## 13. SHARE CAPITAL

Authorised, allotted and fully paid:

	The company	
	1994	1993
	£	£
140,000 "A" ordinary shares of £1 each	140,000	140,000
60,000 "B" ordinary shares of £1 each	60,000	60,000
	-----	-----
	£200,000	£200,000
	=====	=====

	The group		The company	
	1994	1993	1994	1993
	£	£	£	£

## 14. SHAREHOLDERS FUNDS AND RESERVES

## a) Reconciliation of movements on shareholders funds:

Profit for the year	60,930	40,001	56,965	30,042
New shares subscribed	-	170,000	-	170,000
	-----	-----	-----	-----
Opening shareholders funds	60,930	210,001	56,965	200,042
	240,103	30,102	230,144	30,102
	-----	-----	-----	-----
Closing shareholders funds	£301,033	£240,103	£287,109	£230,144
	=====	=====	=====	=====

## JETSET EUROPE LIMITED AND SUBSIDIARY UNDERTAKING

## NOTES TO THE ANNUAL ACCOUNTS (continued)

## 14. SHAREHOLDERS FUNDS AND RESERVES (continued)

## b) Reserves

	The group Revenue £	The company Revenue £
At 1st November 1993	40,103	30,144
Transfer of profit	60,930	56,965
	-----	-----
At 31st October 1994	£101,033	£87,109
	=====	=====

## 15. NOTES TO THE CASH FLOW STATEMENT

## a) Reconciliation of net cash inflow from operating activities

	The Group 1993 £	1993 £
Operating (loss)/profit	(10,135)	37,404
Depreciation charge	28,175	15 570
Loss on sale of tangible fixed assets	268	3,440
Exchange difference	3,740	(1,019)
	-----	-----
	22,048	55,395
	-----	-----
(Increase)/Decrease in debtors	(1,002,427)	32,021
Increase in creditors	708,533	2,693,985
	-----	-----
	(293,894)	2,726,006
	-----	-----
CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	£(271,846)	£2,781,401
	=====	=====

## b) Cash and cash equivalents as shown in the balance sheet

	1994 £	1993 £	Change in the year £
Cash at bank and in hand	3,011,185	3,287,124	£(275,939)
	=====	=====	=====

## c) Purchase of subsidiary undertaking

	1993 £	1993 £
Assets acquired : Tangible fixed assets	-	3,068
Cash at bank and in hand	-	408,741
Debtors	-	872,079
Creditors	-	(1,256,561)
Goodwill	-	2,673
	-----	-----
Satisfied by payment in cash	£ Nil	£30,000
	=====	=====

JETSET EUROPE LIMITED AND SUBSIDIARY UNDERTAKINGNOTES TO THE ANNUAL ACCOUNTS (continued)

## 16. FINANCIAL COMMITMENTS

## a) Capital commitments

There was no capital expenditure on fixed assets, authorised by the directors at the year end, that had not been provided for in the accounts.

## b) Other commitments

The company has annual commitments under non-cancellable operating leases as follows:

## i) Leases of land and buildings

	The group		The company	
	1994	1993	1994	1993
	£	£	£	£
Expiring in 2 to 5 years	45,643	51,140	41,000	46,500
Expiring after 5 years	26,040	13,500	26,040	13,500
	-----	-----	-----	-----
	71,683	64,640	67,040	60,000
ii) Other leases				
Expiring in 2 to 5 years	2,656	-	2,656	-
	-----	-----	-----	-----
	£74,339	£64,640	£69,696	£60,000
	=====	=====	=====	=====

## 17. DIRECTORS AND OTHER EMPLOYEES

The average number of persons employed was as follows:

Selling	41	40	36	35
Administration	21	20	21	20
	--	--	--	--
	62	60	57	55
	==	==	==	==

Staff costs include the following:

	£	£	£	£
Wages and salaries	786,811	510,242	679,031	452,892
Social security costs	93,715	51,641	73,698	41,470
Other pension costs	4,289	4,117	4,289	4,117
	-----	-----	-----	-----
	£884,815	£566,000	£757,018	£498,479
	=====	=====	=====	=====

JETSET EUROPE LIMITED AND SUBSIDIARY UNDERTAKINGNOTES TO THE ANNUAL ACCOUNTS (continued)

	The group		The company	
	1994	1993	1994	1993
18. DIRECTORS EMOLUMENTS				
The chairman and the highest paid director	£59,613 =====	£32,083 =====	£59,513 =====	£32,083 =====
The number of other directors whose emoluments fell within the following ranges were:				
Nil - £5,000	2	2	2	2
£10,001 - £15,000	-	1	-	1
£15,001 - £20,000	-	1	-	1