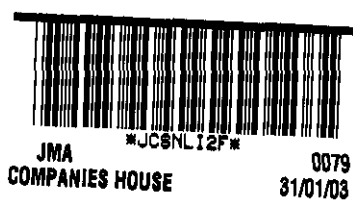


## **Jetset Europe PLC**

Annual report and financial statements  
for the year ended 30 September 2002

Registered number: 02223775



## **Directors' report**

For the year ended 30 September 2002

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 30 September 2002.

### **Directors' responsibilities**

United Kingdom 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;
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, 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 and business review**

The company has remained dormant throughout the financial year.

On 30 April 2001 the trade, assets and liabilities were transferred to MyTravel Group plc, the ultimate parent company, as part of a group reorganisation.

### **Results and dividends**

The audited financial statements for the year ended 30 September 2002 are set out on pages 5 to 11. The profit for the year after taxation was £nil (2002 – loss of £1,462,147).

No dividend can be paid.

### **Directors and their interests**

The directors who served during the year were as follows:

M.J. Cheetham

Parkway Management Services Limited

G.J. McMahon

## Directors' report (continued)

### Directors and their interests (continued)

The interests of the directors who held office at 30 September 2002 in the shares of the ultimate parent company, MyTravel Group plc, are as follows:

	Ordinary shares		1999 Executive Share Option Scheme over ordinary shares		SAYE Scheme options	
	30 September 2002	30 September 2001	30 September 2002	30 September 2001	30 September 2002	30 September 2001
	Number	Number	Number	Number	Number	Number
G.J. McMahon	12,462	-	170,488	170,488	4,768	4,768
M.J. Cheetham	122,245	75,573	164,807	143,076	12,220	8,595

In addition M.J. Cheetham had the following share options:

	30 September 2002	30 September 2001
	Number	Number
Class II options over Ordinary shares	150,000	150,000

During the year M.J. Cheetham exercised no share options (2001 - 75,953), on which a gain of £nil (2001 - £86,875) arose.

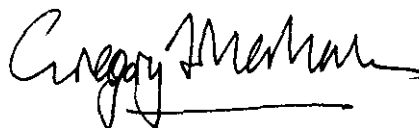
The directors have no other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

### Auditors

On 31 July 2002 Arthur Andersen resigned as auditors of the company and the directors appointed Deloitte & Touche to fill the casual vacancy. A resolution re-appointing Deloitte & Touche as auditors for the ensuing year will be proposed at the Annual General Meeting.

Parkway One  
Parkway Business Centre  
300 Princess Road  
Manchester  
M14 7QU

By order of the Board,



G.J. McMahon  
Director

31 December 2002

## Independent auditors' report

### **To the member of Jetset Europe plc**

We have audited the financial statements of Jetset Europe plc for the year ended 30 September 2002 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet, statement of accounting policies and related notes numbered 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. 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 explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

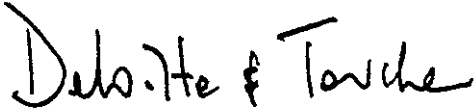
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, 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.

Independent auditors' report (continued)

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 30 September 2002 and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink that reads "Deloitte & Touche". The script is cursive and fluid, with the ampersand being particularly stylized.

**Deloitte & Touche**

Chartered Accountants and Registered Auditors

Manchester

31 December 2002

## Profit and loss account

For the year ended 30 September 2002

	Notes	2002 £	2001 £
<b>Turnover</b>	1	-	19,064,119
Cost of sales		-	(17,702,732)
<b>Gross profit</b>		-	1,361,387
Administrative expenses		-	(1,317,216)
<b>Operating profit</b>		-	44,171
Profit on sale of assets and liabilities of business	2	-	1,506,337
<b>Profit on ordinary activities before finance charges</b>		-	1,550,508
Finance charges (net)	3	-	(107,300)
<b>Profit on ordinary activities before taxation</b>	4	-	1,443,208
Tax on profit on ordinary activities	6	-	18,939
<b>Profit for the year</b>		-	1,462,147

All activity has arisen from discontinued operations.

The company has no recognised gains or losses in either year other than its result for that year.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet  
30 September 2002

	Notes	2002 £	2001 £
<b>Current assets</b>			
Debtors	7	<u>1</u>	<u>1</u>
<b>Capital and reserves</b>			
Called-up share capital	8	5,700,000	5,700,000
Profit and loss account		<u>(5,699,999)</u>	<u>(5,699,999)</u>
<b>Equity shareholder's funds</b>	9	<u>1</u>	<u>1</u>

The financial statements on pages 5 to 11 were approved by the board of directors on 31 December 2002 and signed on its behalf by:



G.J. McMahon  
Director

The accompanying notes are an integral part of this balance sheet.

## Statement of accounting policies

30 September 2002

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

### **Turnover**

Turnover represents sales to outside customers at invoiced amounts less value added tax.

### **Taxation**

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced.

### **Pension costs**

The company provided pension arrangements to the majority of full time employees through a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Difference between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### **Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date, or if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

### **Leases**

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

## Statement of accounting policies (continued)

### **Cash flow statement**

Jetset Europe plc has not presented a cash flow statement as permitted by FRS1 (revised 1996), as it is a wholly owned subsidiary of MyTravel plc (formerly Airtours plc), which produces consolidated financial statements that are publicly available.

## Notes to financial statements

30 September 2002

### 1 Turnover

Turnover is wholly attributable to the principal activity and arises in the United Kingdom.

### 2 Exceptional items reported after operating profit

On the 30 April 2001 the trade, assets and liabilities of Jetset Europe plc were sold to MyTravel Group plc, the ultimate parent company, for consideration of £1. This resulted in an exceptional profit of £1,506,337 in the prior year.

There was no taxation effect of this exceptional item because it was an intra-group sale.

### 3 Finance charges (net)

	2002 £	2001 £
Hire purchase interest	-	15,589
Other loans	-	116,076
	-	131,665
Bank interest receivable	-	(24,365)
Finance charges (net)	-	107,300

### 4 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2002 £	2001 £
Depreciation of owned tangible fixed assets	-	101,636
Depreciation of assets held under finance leases and hire purchase contracts	-	6,563
Operating lease rentals		
- plant and machinery	-	89,925
- other	-	88,837
Auditors' remuneration for audit services	-	37,670

Amounts paid to the auditors' for non-audit services were £nil (2001 - £nil).

## Notes to financial statements (continued)

### 5 Staff costs

The average monthly number of employees (including executive directors) was:

	2002 Number	2001 Number
Sales	-	19
Administration	-	37
	<u>-</u>	<u>56</u>

Their aggregate remuneration comprised:

	2002 £	2001 £
Wages and salaries	-	883,726
Social security costs	-	61,719
Other pension costs (see note 10)	-	14,305
	<u>-</u>	<u>959,750</u>

### Directors' remuneration

The directors were remunerated by the immediate parent company, MyTravel UK Limited, for services to the company during the year and preceding year

### 6 Tax on profit on ordinary activities

The tax credit is based on the profit for the year and comprises:

	2002 £	2001 £
UK corporation tax	<u>-</u>	<u>(18,939)</u>

### 7 Debtors

	2002 £	2001 £
Amounts falling due within one year:		
Amounts owed by group undertakings	<u>1</u>	<u>1</u>

The amounts due from group undertakings are interest-free, unsecured, have no fixed repayment date and are due on demand.

## Notes to financial statements (continued)

### 8 Called-up share capital

	2002 £	2001 £
<i>Authorised</i>		
5,700,000 Ordinary shares of £1 each	<u>5,700,000</u>	<u>5,700,000</u>
<i>Allotted, called-up and fully-paid</i>		
5,700,000 Ordinary shares of £1 each	<u>5,700,000</u>	<u>5,700,000</u>

### 9 Reconciliation of movements in shareholder's funds (deficit)

	2002 £	2001 £
Profit for the period	-	1,462,147
Opening shareholder's funds (deficit)	<u>1</u>	<u>(1,462,146)</u>
Closing shareholder's funds	<u>1</u>	<u>1</u>

### 10 Pension arrangements

The company operates a defined contribution scheme for which the pension cost charge for the year amounted to £nil (2001 - £14,305).

### 11 Ultimate parent company

At 30 September 2002, the company's intermediate parent company was MyTravel UK Limited. The directors regard MyTravel Group plc, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party.

The largest and smallest group of which Jetset Europe plc is a member and for which group financial statements are drawn up is that headed by MyTravel Group plc, copies of which are available from Parkway One, Parkway Business Centre, 300 Princess Road, Manchester, M14 7QU.