

ARTHUR ANDERSEN

Sunair Limited

Accounts for the eleven months ended 30 September 1998
together with directors' and auditors' reports

Registered number: 2676147



Directors' report

For the eleven months ended 30 September 1998

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report for the period ended 30 September 1998.

Principal activity

The company has not traded since incorporation on 9 January 1992.

Directors and their interests

The directors of the company who served during the period are shown below:

M. Vanmoerkerke (Chairman)	(resigned 10 November 1998)
R.J.M. Dupuis	
B. Vanmoerkerke	(resigned 10 November 1998)
R. Bramble	(resigned 10 November 1998)
B.J. Fell	
R. Vanmoerkerke	(resigned 10 November 1998)
L. Thuesen	(appointed 10 November 1998)
P. Rothwell	(appointed 10 November 1998)

The directors held no interests in the company's shares or in those of its parent undertakings during the period except as shown below:

L. Thuesen	70,000 ordinary shares in Airtours plc
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The services of L. Thuesen and P. Rothwell are provided by Airtours plc and UKLG Limited respectively and no part of their remuneration is specifically attributable to their services to the company.

The company changed its accounting reference date to become coterminous with its new ultimate parent company, Airtours plc (see Note 6).

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 accounts, 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 accounts; and

Directors' report (continued)

Statement of directors' responsibilities (continued)

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

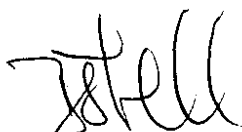
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The directors will place a resolution before the Annual General Meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Bridge House
55-59 High Road
Broxbourne
Herts
EN10 7DT

By order of the Board,



B.J. Fell

Director

11 January 1999

Auditors' report

London

To the Shareholders of Sunair Limited:

We have audited the accounts on pages 4 and 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 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 affairs as at 30 September 1998 and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

1 Surrey Street
London
WC2R 2PS

11 January 1999

Balance sheet

30 September 1998

	Notes	1998 £	1997 £
Fixed assets			
Investments	2	1,000	1,000
Current assets			
Debtors	3	100	100
Creditors: amounts falling due within one year	4	(1,000)	(1,000)
Net current liabilities		<u>(900)</u>	<u>(900)</u>
Net assets		<u>100</u>	<u>100</u>
Capital and reserves			
Called-up equity share capital	5	<u>100</u>	<u>100</u>

Signed on behalf of the Board

B.J. Fell

Director



11 January 1999

The accompanying notes on page 5 are an integral part of this balance sheet.

Notes to the accounts

30 September 1998

1 Accounting policies

The accounting policies have been applied consistently throughout the period and the preceding year. The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2 Fixed asset investments

	1998 £	1997 £
Cost and net book value	<u>1,000</u>	<u>1,000</u>

The company owns 100% of the £1 'H' class ordinary shares of Bridge Travel Group Limited, a fellow group undertaking.

3 Debtors

	1998 £	1997 £
Amounts owed by other group undertakings	<u>100</u>	<u>100</u>

4 Creditors: Amounts falling due within one year

	1998 £	1997 £
Amounts owed to fellow group undertakings	<u>1,000</u>	<u>1,000</u>

5 Called-up equity share capital

	1998 £	1997 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called-up and fully-paid</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

6 Ultimate parent company

On 16 January 1998, the ultimate parent company changed to Airtours plc, a company registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Airtours plc, the accounts of which may be obtained from Airtours plc, Parkway One, Parkway Business Centre, 300 Princess Road, Manchester M14 7QU. The smallest group in which they are consolidated is that headed by Sun International (UK) Limited, a company registered in England and Wales.