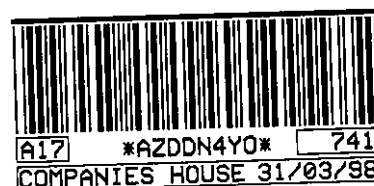


RUGBY INTERNATIONAL TRAVEL LIMITED
REPORT AND ACCOUNTS
FOR THE PERIOD ENDED
31 MAY 1997

3197854

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RUGBY INTERNATIONAL TRAVEL LIMITED

GENERAL INFORMATION

DIRECTORS

S Northwood

C Hamilton

SECRETARY

S Northwood

ACCOUNTANTS & AUDITORS

AR Consulting Limited

Chartered Accountants

P O Box 484

South Croydon

Surrey CR2 0ZR

REGISTERED OFFICE

Suite 118, The Plaza

535 Kings Road

London

SW10 0TZ

COMPANY NUMBER

3197854

RUGBY INTERNATIONAL TRAVEL LIMITED

REPORT OF THE DIRECTORS

The directors presents their annual report with the financial statements of the company for the period from 13 May 1996 to 31 May 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review is that of travel agency for inward and outward bound individuals and tour groups.

DIRECTORS

The directors who served during the period and the interest in the shares of the company of those serving at the period end were as follows:-

	Ordinary shares	
	At 31 May 1997	At 1 May 1996 or at later appointment
S Northwood	25,000	25,000
C Hamilton	25,000	25,000

DIRECTOR'S 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 of the company for that period. In preparing those financial statements, the directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts.
4. 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.

RUGBY INTERNATIONAL TRAVEL LIMITED

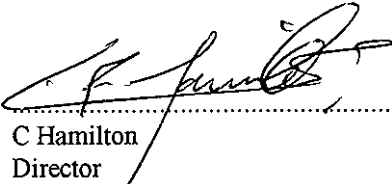
REPORT OF THE DIRECTORS

AUDITORS

The auditors, AR Consulting Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small Companies.

Signed on behalf of the board of directors.



.....
C Hamilton
Director

Approved by the board on: 22 September 1997

RUGBY INTERNATIONAL TRAVEL LIMITED

AUDITORS REPORT TO THE SHAREHOLDERS OF

RUGBY INTERNATIONAL TRAVEL LIMITED

We have audited the financial statements on pages 5 to 8 which have been prepared under the historical cost convention and the accounting policies set out on pages 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, 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 by the director 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 company's affairs as at 31 May 1997 and its loss for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

AR Consulting Limited

P O Box 484
South Croydon
Surrey
CR2 0ZR

AR CONSULTING LIMITED
Chartered Accountants and
Registered Auditors

Dated: 22.9.97

RUGBY INTERNATIONAL TRAVEL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MAY 1997

	Note	1997 £
TURNOVER	2	158,407
Cost of sales		(126,653)
GROSS PROFIT		31,754
Administrative expenses		(31,122)
OPERATING PROFIT	3	632
Interest receivable	5	1
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		633
Tax on profit on ordinary activities	6	(158)
RETAINED PROFIT FOR THE PERIOD		475
RETAINED PROFIT BROUGHT FORWARD		
RETAINED PROFIT CARRIED FORWARD		475

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis is not material.

The notes on pages 7 to 8 form part of these accounts.

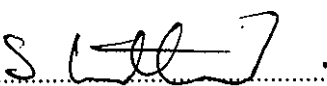
RUGBY INTERNATIONAL TRAVEL LIMITED

BALANCE SHEET - 31 MAY 1997

	Note	1997 £
CURRENT ASSETS		
Debtors	6	88,084
Cash at bank and in hand		15,000
		<u>103,084</u>
CREDITORS:		
AMOUNTS FALLING DUE WITHIN ONE YEAR	7	(52,609)
NET CURRENT ASSETS		<u>50,475</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>50,475</u></u>
CAPITAL AND RESERVES		
Called up share capital	8	50,000
Profit and loss account		475
		<u><u>50,475</u></u>

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the financial statements and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

Signed on behalf of the board of directors



 S Northwood
 Director

Approved by the board: 22.9.97

The notes on pages 7 to 8 form part of these accounts

RUGBY INTERNATIONAL TRAVEL LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 MAY 1997

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted within that convention are set out below.

(b) Turnover

Turnover represents the value of services provided excluding Value Added Tax.

(c) Cash Flow Statement

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow Statements".

2. TURNOVER

The turnover and pre tax profit are wholly attributable to the company's main activity.

Turnover attributable to geographical markets outside the United Kingdom amounted to 0%

3. OPERATING PROFIT

1997

£

Operating profit/(loss) is stated after charging:

Auditor's' remuneration

800

4. EMPLOYEES

1997

No. of
Employees

Average number of people (including directors) employed by the company during the year:

Administration

3

Costs in respect of these employees:

£

Wages and salaries

4,127

Social security costs

411

4,538

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

1997

£

The charge to corporation tax is based on the profit for the period at 25%.

158

RUGBY INTERNATIONAL TRAVEL LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MAY 1997

6. DEBTORS	1997
	£
Trade debtors	33,861
Other Debtors	53,880
Prepayments	343
	<u>88,084</u>

7. CREDITORS:	1997
AMOUNTS FALLING DUE WITHIN ONE YEAR	£
Bank overdraft	16,542
Trade creditors	31,961
Other taxes and social security	2,554
Accruals	1,552
	<u>52,609</u>

8. CALLED UP SHARE CAPITAL	1997
	£
Authorised	
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>
1,000,000 10% Redeemable Cumulative Preference shares of £1 each	<u>1,000,000</u>
Allotted	
50,000 Ordinary shares of £1 each fully paid	<u>50,000</u>

9. CONTINGENT LIABILITIES

A fixed and floating charge has been given to Natwest Bank plc over the undertakings, property and assets of the company in respect of monies that may be owing to the bank by the company.