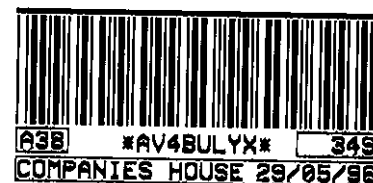


**PANORAMA HOLIDAY GROUP LIMITED****ACCOUNTS FOR THE YEAR ENDED  
30 SEPTEMBER 1995****CONTENTS****Page**

1	Company information
2	Chairman's report
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7	Profit and loss account
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9	Cash flow statement
10	Notes to the accounts



Registered office : 29 Queens Road  
Brighton East Sussex BN1 3YN

Company No: 1068464

**Honey  
Barrett**

Chartered Accountants

1 High Street Lewes  
East Sussex BN7 2AD

**PANORAMA HOLIDAY GROUP LIMITED**

**COMPANY INFORMATION**

**TRADING NAMES**            Panorama Majorca Ibiza Menorca  
Panorama Tunisia  
Panorama Ski  
Panorama Golf  
Brighton Travel Shop  
Hove Travel Shop  
Starline Tours

**REGISTERED OFFICE**       29 Queens Road  
Brighton  
East Sussex  
BN1 3YN

**DIRECTORS**                J V Fleming  
N H P Munday

**COMPANY SECRETARY**      N H P Munday

**AUDITORS**                 Honey Barrett  
1 High Street  
Lewes  
East Sussex  
BN7 2AD

**PRINCIPAL BANKERS**       AIB Bank  
20-22 Marlborough Place  
Brighton  
East Sussex  
BN1 1UB

Girobank Plc  
10 Milk Street  
London  
EC2V 8JH

Citibank NA  
3 Avenue Jurgurtha  
Le Belvedere  
1002 Tunis

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CHAIRMAN'S REPORT

At this time last year I indicated that the outlook for '95 was somewhat clouded. I was also optimistic that '95 would be another record year for Panorama. Our results however indicate that whilst my optimism was to prove ill founded, as we recorded a loss for the first time in our history, it disguises I believe an underlying positive performance which was in line with most of our objectives.

Undoubtedly summer '95 proved to be the most difficult year in trading memory for the holiday industry. Coming from a poor early booking period in January/February, the anticipated late demand for holidays never materialised due, on reflection, to a series of events including a record hot summer here in the UK, a total lack of the 'feel-good factor' amongst consumers and, to a much lesser extent, the overseas holiday not being seen as an essential. Supply of holidays far exceeded demand throughout the summer months resulting in excessive discounting and poor margins.

On the positive side we had a record winter, with increased carryings and profitability, and whilst our summer margins were well below budget in line with our competitors, once again our carryings were similar to last year's.

In July, when it became apparent to me, and my co-Director, that the summer market was not going to materialise, I set up a review of our plans for '96 and beyond. In light of the results of this review, we have reduced our overhead projections and, mainly through natural wastage, staffing levels as well. This has resulted in overheads in the year under review being some £200,000 under budget. The ongoing effect of these reductions will ensure that we will be able to trade in '96 at real costs lower than '95. Our balance sheet remains strong and our reserves virtually unchanged from a year ago.

Our ski programme made strong gains and our final carryings of 10,400 passengers represented an increase of 22%. Winter Tunisia showed a small increase in passengers of 3% and margins were up. Our new summer programme to Menorca, in spite of market conditions, carried over 3,800 passengers in its first year and whilst our Tunisia carryings were down some 15%, they performed far better than the overall market.

Our retail division performed below budget but, due to management changes and a reduction in staff costs, made a small overall contribution to the company's results.

During the year we completed our office refurbishment and development programme and we now have an excellent and practical environment from which the business can run on a day to day basis.

Our middle management team was completed with the appointment of a Marketing Manager to compliment our Sales Manager. We moved into our own independent offices in College Green, central Dublin in March.

Once again, in conjunction with the Tunisian National Tourist Office we organised a mega training trip for travel agents to Tunisia in April. In all, we carried over 650 travel agents who have since then shown increased support for our Tunisia programme. We obtained 'Blue Ribbon' status with the A.T. Mays group of travel agents, which completes our top level status with all the major distributors.

## CHAIRMAN'S REPORT

For '96 we have based our projections on a small decrease in carryings matched to a tightly controlled expense budget which is planned to result in a small but acceptable profit. We recognise however that our industry is cyclical and whilst '96 will be a year of retrenchment and consolidation, we plan to invest further in technology, new management and product development, in order to take advantage of the undoubted upturn in demand in '97 and beyond.

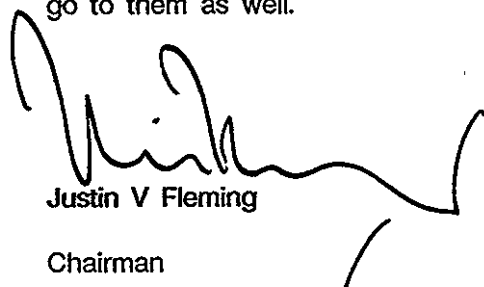
For '96 we have added the new departure airport of Cardiff for Tunisia and at this stage our ski programme is some 40% up on last year, and whilst Winter Tunisia is down, it is well in line with our budgeted projections for this period. Our summer programmes at the time of writing are out-performing a weak market which is again encouraging.

During the year I served as Chairman of Tour Operators Council until June when I stood down. I remain however a member of Tour Operators Council. I was also re-elected as Vice Chairman of the Federation of Tour Operators.

Our plans for '96 and beyond are to concentrate on our core products, eliminate unprofitable regional departure airports and develop a further product range.

Our strong balance of winter and summer programmes continues but at the time of writing the outlook for '96 is not encouraging. However I am confident that with the early action we have taken some four months ago, we are well placed to weather the difficult trading conditions ahead and take advantage of the trading opportunities that undoubtedly will arise over the coming year. Our target of a modest profit based on realistic passenger carryings I am confident of achieving.

Finally I must, as usual, record my thanks to my co-Director, Nick Munday, whose skill and commercial acumen has guided us through what has been the most difficult trading period in our history, resulting in the minimum of financial impact on our results. Our staff, both here and abroad, have also performed well under difficult circumstances and my thanks must go to them as well.



Justin V Fleming  
Chairman

## DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 30 September 1995.

**Directors**

The directors who served during the year and their beneficial interests in the issued share capital of the company were as follows:

	Ordinary shares of £1 each	
	30 September 1995	1 October 1994
J V Fleming	14,050	14,050
N H P Munday	4,700	4,700

**Directors' responsibilities**

Company law requires the directors to prepare, for each financial period, accounts 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;
- 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 which 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.

**Results and dividends**

The loss for the year after taxation was £97,314 (11 months ended 30 September 1994 profit £465,201).

No dividends are recommended to be paid.

The balance on the profit and loss account will be carried forward.

**Principal activities**

The company's principal activities were those of tour operating and travel agents. These have remained unchanged during the year.

DIRECTORS' REPORT

**Fixed assets**

Details of the movements in fixed assets during the year are set out in the notes to the accounts.

**Auditors**

A resolution to re-appoint Honey Barrett as auditors will be put to the members at the Annual General Meeting.

Signed on behalf of the board



J V Fleming

Chairman

This report was approved by the board on 1 December 1995

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**AUDITORS' REPORT**  
**TO THE MEMBERS OF PANORAMA HOLIDAY GROUP LIMITED**

We have audited the accounts on pages 7 to 17 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on page 10.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the 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 at 30 September 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Honey Barrett*

**Honey  
Barrett**

Registered Auditor

1 High Street Lewes  
East Sussex BN7 2AD

*1st December 1995*

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1995**

Notes	Year ended 30 September 1995	Eleven months ended 30 September 1994
2 <b>Turnover</b>	24,636,628	20,772,907
Cost of sales	21,711,658	17,782,701
<b>Gross profit</b>	<u>2,924,970</u>	<u>2,990,206</u>
3    Indirect expenses	3,164,659	2,380,182
	<u>(239,689)</u>	<u>610,024</u>
4    Other operating income	6,000	2,000
<b>Operating (loss)/profit</b>	<u>(233,689)</u>	<u>612,024</u>
Interest receivable and similar income	99,644	106,681
	<u>(134,045)</u>	<u>718,705</u>
6    Interest payable and similar charges	2,236	4,934
<b>(Loss)/profit on ordinary activities       before taxation</b>	<u>(136,281)</u>	<u>713,771</u>
7    Tax on (loss)/profit on ordinary activities	(38,967)	248,570
<b>(Loss)/profit for the financial year/period</b>	<u>£ (97,314)</u>	<u>£ 465,201</u>

There were no recognised gains or losses other than those included in the profit and loss account.

All disclosures in the profit and loss account relate only to continuing operations.

The notes on pages 10 to 17 form part of these accounts.



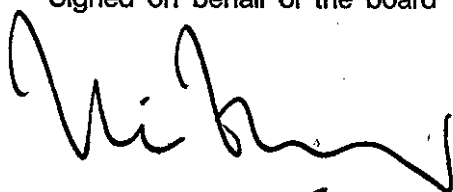
PANORAMA HOLIDAY GROUP LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1995

Notes	1995	1994
<b>Fixed assets</b>		
8 Tangible assets	728,988	735,994
<b>Current assets</b>		
9 Debtors	1,807,005	1,307,938
Cash at bank and in hand	1,911,184	3,435,487
	3,718,189	4,743,425
10 Creditors: amounts falling due within one year	3,167,049	4,101,977
<b>Net current assets</b>	551,140	641,448
<b>Total assets less current liabilities</b>	£ 1,280,128	£ 1,377,442
<b>Capital and reserves</b>		
12 Called up share capital	25,000	25,000
13 Revaluation reserve	12,250	15,250
14 Profit and loss account	1,242,878	1,337,192
15 Shareholders' funds	£ 1,280,128	£ 1,377,442

The notes on pages 10 to 17 form part of these accounts.

Signed on behalf of the board



J V Fleming - Director



N H P Munday - Director

These accounts were approved by the board on 1 December 1995

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1995**

Notes	Year ended 30 September 1995	Eleven months ended 30 September 1994
<b>18 Net cash (outflow)/inflow from operating activities</b>	<b>(1,223,007)</b>	<b>1,998,469</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	104,759	136,031
Interest paid	<u>(2,236)</u>	<u>(26,194)</u>
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>102,523</b>	<b>109,837</b>
	<b>(1,120,484)</b>	<b>2,108,306</b>
<b>Taxation</b>		
Corporation tax paid	<u>(246,320)</u>	<u>(84,222)</u>
	<b>(1,366,804)</b>	<b>2,024,084</b>
<b>Investing activities</b>		
Payments to acquire tangible fixed assets	(88,991)	(423,376)
Receipts from sales of tangible fixed assets	<u>1,492</u>	<u>5,000</u>
<b>Net cash (outflow) from investing activities</b>	<b>(87,499)</b>	<b>(418,376)</b>
<b>Net cash (outflow)/inflow before financing</b>	<b>(1,454,303)</b>	<b>1,605,708</b>
<b>Financing</b>		
Other loans advanced	34,547	70,000
Other loans repaid	<u>(104,547)</u>	<u>-</u>
<b>Net cash (outflow)/inflow from financing</b>	<b>(70,000)</b>	<b>70,000</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>£ (1,524,303)</b>	<b>£ 1,675,708</b>

The notes on pages 10 to 17 form part of these accounts.

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1995**

**1 Accounting policies**

**Basis of accounting**

The accounts have been prepared under the historical cost convention, modified to include the revaluation of short leasehold land and buildings.

**Compliance with accounting standards**

The accounts have been prepared in accordance with applicable accounting standards.

**Tangible fixed assets**

Depreciation and amortisation is provided to write off the cost or revalued amount less estimated residual value of all tangible fixed assets, except freehold land, over their expected useful lives as follows:

Freehold buildings	- 2 per cent of cost
Leasehold buildings	- over the duration of the lease - 10 years
Computer and office equipment	- 25 per cent of written down value
Motor vehicles	- 25 per cent of written down value
Shop fittings	- 25 per cent of written down value

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date or at the rates of exchange of related forward foreign exchange contracts. Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. All exchange differences are charged or credited to the profit and loss account in the period in which they arise.

**Deferred taxation**

Deferred taxation is provided on all timing differences which are expected to crystallise in the future without being replaced.

**Leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account as they are incurred.

**Pensions**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

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**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1995**

**2 Turnover**

Turnover represents the net amount receivable from the operation of tours, agency commission receivable and profit from Bureaux de Change. It is stated exclusive of Value added tax and the sale of fixed assets. Income and expenditure relating to holidays are taken to the profit and loss account upon flight or holiday departure.

	Year ended 30 September 1995	Eleven months ended 30 September 1994
A geographical analysis of turnover is as follows:		
United Kingdom	19,077,012	16,022,956
Other European Countries	5,559,616	4,749,951
	<u>£ 24,636,628</u>	<u>£ 20,772,907</u>

**3 Indirect expenses**

Operating (loss)/profit is stated after accounting for the following:

	Year ended 30 September 1995	Eleven months ended 30 September 1994
UK staff costs (note 5)	1,307,722	913,902
Amortisation	-	15,000
Depreciation (note 8)	94,202	84,544
Loss/(profit) on sale of fixed assets	303	(792)
Auditors' remuneration		
- audit services	10,300	10,000
- non-audit services	600	1,950
Operating lease rentals		
- equipment	3,055	18,378
- other	49,500	49,500
Administrative expenses	1,698,977	1,287,700
	<u>£ 3,164,659</u>	<u>£ 2,380,182</u>

**4 Other operating income**

	Year ended 30 September 1995	Eleven months ended 30 September 1994
Rent receivable	<u>£ 6,000</u>	<u>£ 2,000</u>

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1995**

**5 Staff costs and directors' remuneration**

	Year ended 30 September 1995			Eleven months ended 30 September 1994		
UK staff	Total	Directors	Staff	Total	Directors	Staff
Wages and salaries	1,203,789	106,250	1,097,539	845,043	87,500	757,543
Social security costs	101,533	11,492	90,041	66,659	9,000	57,659
Other pension costs	2,400	2,400	-	2,200	2,200	-
	<u>£ 1,307,722</u>	<u>£ 120,142</u>	<u>£ 1,187,580</u>	<u>£ 913,902</u>	<u>£ 98,700</u>	<u>£ 815,202</u>
Overseas staff	Total	Directors	Staff	Total	Directors	Staff
Wages and salaries	228,249	-	228,249	149,680	-	149,680
Social security costs	14,599	-	14,599	9,879	-	9,879
	<u>£ 242,848</u>	<u>£ -</u>	<u>£ 242,848</u>	<u>£ 159,559</u>	<u>£ -</u>	<u>£ 159,559</u>

Overseas staff costs are included in cost of sales.

Average weekly number of employees	<u>121</u>	<u>2</u>	<u>119</u>	<u>107</u>	<u>2</u>	<u>105</u>
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	Year ended 30 September 1995	Eleven months ended 30 September 1994
Directors' remuneration including estimated benefits in kind but excluding social security costs	<u>£ 115,301</u>	<u>£ 96,129</u>
Directors' remuneration including estimated benefits in kind but excluding pension contributions fell within the following ranges:		
£40,001 - £45,000	-	1
£45,001 - £50,000	-	1
£50,001 - £55,000	1	-
£55,001 - £60,000	1	-

Included in these figures is the remuneration of the chairman who is also the highest paid director, of £59,506 (11 months ended 30 September 1994 £49,239)

PANORAMA HOLIDAY GROUP LIMITED

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1995

6	Interest payable and similar charges	Year ended	Eleven months ended
		30 September 1995	30 September 1994
	Bank overdraft interest	109	4,934
	Other interest	2,127	-
		<u>£ 2,236</u>	<u>£ 4,934</u>
<hr/>			
7	Tax on (loss)/profit on ordinary activities	Year ended	Eleven months ended
		30 September 1995	30 September 1994
	UK Corporation tax based on the taxable (loss)/profit for the year/period	-	248,570
	Corporation tax repayable	(36,388)	-
	Overprovision in previous period	(2,579)	-
		<u>£ (38,967)</u>	<u>£ 248,570</u>
<hr/>			

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1995

8 Tangible fixed assets

	Freehold land and buildings	Short leasehold land and buildings	Computer and office equipment	Motor vehicles	Shop fittings	Total
<b>Cost or Valuation</b>						
Brought forward	451,608	30,000	410,133	56,093	46,614	994,448
Additions	14,060	-	61,396	13,535	-	88,991
Disposals	-	-	-	(4,140)	-	(4,140)
	<u>465,668</u>	<u>30,000</u>	<u>471,529</u>	<u>65,488</u>	<u>46,614</u>	<u>1,079,299</u>
<b>Depreciation</b>						
Brought forward	4,410	14,750	189,144	27,986	22,164	258,454
Charge for year	4,476	3,000	70,652	9,962	6,112	94,202
Disposals	-	-	-	(2,345)	-	(2,345)
	<u>8,886</u>	<u>17,750</u>	<u>259,796</u>	<u>35,603</u>	<u>28,276</u>	<u>350,311</u>
<b>Net book value at 30 September 1995</b>	<u>456,782</u>	<u>12,250</u>	<u>211,733</u>	<u>29,885</u>	<u>18,338</u>	<u>728,988</u>
<b>Net book value at 30 September 1994</b>	<u>447,198</u>	<u>15,250</u>	<u>220,989</u>	<u>28,107</u>	<u>24,450</u>	<u>735,994</u>

The cost of freehold buildings is estimated by the directors at £235,667.

The historical cost and accumulated depreciation of the short leasehold property was nil. It was revalued at £30,000 on an open market basis in 1989.

9 Debtors	1995	1994
Trade debtors	1,410,946	983,190
Other debtors	204,229	129,689
Taxation repayable	36,388	-
Prepayments and accrued income	155,442	195,059
	<u>£1,807,005</u>	<u>£1,307,938</u>

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1995**

<b>10</b>	<b>Creditors: amounts falling due within one year</b>	<b>1995</b>	<b>1994</b>
	Clients' monies	1,089,430	1,367,360
	Trade creditors	1,927,433	2,256,178
	Corporation tax (note 11)	-	248,570
	Other taxes and social security costs	34,524	30,864
	Other loans	-	70,000
	Accruals and deferred income	115,662	129,005
		<u>£3,167,049</u>	<u>£4,101,977</u>
<hr/>			
<b>11</b>	<b>Corporation tax</b>	<b>1995</b>	<b>1994</b>
	UK Corporation tax payable	£ -	£ 248,570
		<u>£ -</u>	<u>£ 248,570</u>
<hr/>			
<b>12</b>	<b>Share capital</b>	<b>1995</b>	<b>1994</b>
	<b>Authorised</b>		
	25,000 ordinary shares of £1 each	£ 25,000	£ 25,000
	<b>Allotted, called up and fully paid</b>		
	25,000 ordinary shares of £1 each	£ 25,000	£ 25,000
		<u>£ 25,000</u>	<u>£ 25,000</u>
<hr/>			
<b>13</b>	<b>Revaluation reserve</b>	<b>1995</b>	<b>1994</b>
	Balance brought forward	15,250	18,000
	Transfer to profit and loss account	(3,000)	(2,750)
	Balance carried forward	<u>£ 12,250</u>	<u>£ 15,250</u>
<hr/>			



**PANORAMA HOLIDAY GROUP LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1995**

<b>14 Profit and loss account</b>	<b>1995</b>	<b>1994</b>
Balance brought forward	1,337,192	869,241
Retained (loss)/profit for the year/period	(97,314)	465,201
	<u>1,239,878</u>	<u>1,334,442</u>
Transfer from revaluation reserve	3,000	2,750
Balance carried forward	<u>£ 1,242,878</u>	<u>£ 1,337,192</u>

<b>15 Reconciliation of movements in shareholders' funds</b>	<b>1995</b>	<b>1994</b>
(Loss)/profit for the financial year/period	(97,314)	465,201
Shareholders' funds brought forward	1,377,442	912,241
Shareholders' funds carried forward	<u>£ 1,280,128</u>	<u>£ 1,377,442</u>

**16 Commitments under operating leases**

At 30 September 1995 the company had annual commitments under non-cancellable operating leases which expire as follows:

	<b>1995</b>	<b>1994</b>
	<b>Land and buildings</b>	<b>Land and buildings</b>
In over five years	<u>£ 49,500</u>	<u>£ 49,500</u>

**17 Pension commitments**

The company operates a defined contribution pension scheme for its directors. The assets of the scheme are held separately from those of the company in an independently administered fund. Total contributions by the company for the year amounted to £2,400 (11 months ended 30 September 1994 £2,200).

PANORAMA HOLIDAY GROUP LIMITED

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1995

18	Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities	Year ended	Eleven months ended
		30 September 1995	30 September 1994
	Operating (loss)/profit	(233,689)	612,024
	Depreciation, amortisation and loss/(profit) on sale of fixed assets	94,505	98,752
	(Increase) in debtors	(467,793)	(656,885)
	(Decrease)/increase in creditors	(616,030)	1,944,578
	Net cash (outflow)/inflow from operating activities	<u>£ (1,223,007)</u>	<u>£ 1,998,469</u>
<hr/>			
19	Analysis of changes in cash and cash equivalents during the year/period	Year ended	Eleven months ended
		30 September 1995	30 September 1994
	Balance brought forward	3,435,487	1,759,779
	Net cash (outflow)/inflow	(1,524,303)	1,675,708
	Balance carried forward	<u>£ 1,911,184</u>	<u>£ 3,435,487</u>

Cash and cash equivalents consist solely of cash at bank and in hand.