

# **MyTravel Tour Operations Limited**

Report and accounts

30 September 2003

Registered No: 3772199



# MyTravel Tour Operations Limited

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Registered No. 3772199

## **DIRECTORS**

Parkway Management Services Limited

C McKinlay

(appointed 19 May 2003)

G J McMahon

(resigned 6 January 2003)

D C Wilson

(resigned 4 December 2003)

S Endacott

(resigned 11 September 2003)

P E R Jansen

(appointed 19 December 2003)

## **SECRETARY**

G J McMahon

## **REGISTERED OFFICE**

Parkway One

Parkway Business Centre

300 Princess Road

Manchester

M14 7QU

## **REGISTERED AUDITORS**

Deloitte & Touche LLP

Manchester

# MyTravel Tour Operations Limited

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## DIRECTORS' REPORT

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 2003.

### PRINCIPAL ACTIVITY

The principal activity of the business is tour operating.

### BUSINESS REVIEW AND FUTURE DEVELOPMENTS

On 1 October 2002, the company acquired the trade and assets of the Airtours Holidays and Flextravel divisions of MyTravel Group plc for book value.

The directors expect the level of activity to continue.

### RESULTS AND DIVIDENDS

The results for the year ended 30 September 2003 are shown in the profit and loss account on page 8.

The loss for the year of £312.4m (2002 - £Nil) is to be taken to reserves.

No dividend can be paid.

### FIXED ASSETS

Changes in intangible fixed assets during the year are set out in note 8 to the financial statements. Changes in tangible fixed assets during the year are set out in note 9 to the financial statements. In the opinion of the directors there is no material difference between the book value and the current open market value of interests in land and buildings.

### DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

### EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

### DIRECTORS AND THEIR INTERESTS

No directors held any beneficial interest in the issued share capital of the company at 30 September 2002 or 30 September 2003.

*The interests of D C Wilson in the shares of the ultimate parent company, MyTravel Group plc, are disclosed in the financial statements of that company.*

# MyTravel Tour Operations Limited

## DIRECTORS' REPORT (continued)

### DIRECTORS AND THEIR INTERESTS (continued)

The interests of the other directors who held office at 30 September 2003 in the shares of the ultimate parent undertaking at 30 September 2002 (or date of appointment if later) and 30 September 2003 are as follows:

	Ordinary shares		1999 Executive share option scheme		SAYE options over Ordinary shares	
	2003 No.	2002 No.	2003 No.	2002 No.	2003 No.	2002 No.
C McKinlay	-	-	69,671	88,031	13,176	13,176

### AUDITORS

On 1 August 2003, Deloitte & Touche, the Company's auditors, transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1985. The directors will place a resolution before the Annual General Meeting to reappoint Deloitte & Touche LLP as auditors for the ensuing year.

By order of the Board



C. McKinlay  
Director

8 April 2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business. In arriving at their conclusion on the appropriateness of adopting the going concern basis, the directors have considered the matters described in note 1 to these financial statements.

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 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.

## MyTravel Tour Operations Limited

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### INDEPENDENT AUDITORS' REPORT

#### To the shareholder of MyTravel Tour Operations Limited

We have audited the financial statements of MyTravel Tour Operations Limited for the year ended 30 September 2003, which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes numbered 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities. 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 judgments 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.

#### *Going concern uncertainty*

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the accounts concerning the ability of the ultimate parent undertaking, MyTravel Group plc, to provide adequate financial support to the company. In view of the significance of this uncertainty we consider it should be drawn to your attention but our opinion is not qualified in this respect.

## MyTravel Tour Operations Limited

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### INDEPENDENT AUDITORS' REPORT

#### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 30 September 2003 and of the company's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
Manchester  
8 April 2004

# MyTravel Tour Operations Limited

## PROFIT AND LOSS ACCOUNT For the year ended 30 September 2003

	<i>Notes</i>	<i>2003 £'000</i>	<i>2002 £'000</i>
<b>Turnover</b>	1	1,495,233	-
Cost of sales		(1,541,798)	-
<b>Gross loss</b>		(46,565)	-
Other operating expenses (net)	2	(267,238)	-
<b>Operating loss</b>		(313,803)	-
Finance charges (net)	3	73	-
<b>Loss on ordinary activities before taxation</b>	4	(313,730)	-
Tax on loss on ordinary activities	7	1,327	-
<b>Retained loss for the financial year</b>	14	(312,403)	-

All activity has arisen from acquisitions.

There are no recognised gains or losses in either year other than the result for that year and accordingly a statement of total recognised gains and losses has not been prepared.

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



# MyTravel Tour Operations Limited

## BALANCE SHEET

At 30 September 2003

	Notes	2003 £'000	2002 £'000
<b>FIXED ASSETS</b>			
Intangible assets - goodwill	8	431	-
Tangible assets	9	1,307	-
		<u>1,738</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Debtors: due within one year	11	145,955	-
due after more than one year	11	11,451	-
		<u>157,406</u>	<u>-</u>
Cash at bank and in hand		270	-
		<u>157,676</u>	<u>-</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	(471,817)	-
<b>NET CURRENT LIABILITIES</b>		<u>(314,141)</u>	<u>-</u>
<b>NET LIABILITIES</b>		<u>(312,403)</u>	<u>-</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	13	-	-
Profit and loss account	14	(312,403)	-
		<u>(312,403)</u>	<u>-</u>
Equity shareholders' deficit	15	(312,403)	-
		<u>(312,403)</u>	<u>-</u>

The financial statements were approved by the Board of directors on 8 April 2004 and were signed on its behalf by:

  
C. McKinlay  
Director

8 April 2004

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

## NOTES TO THE FINANCIAL STATEMENTS

30 September 2003

### 1. ACCOUNTING POLICIES

#### *Basis of preparation*

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

#### *Going concern*

The company is dependent on funding from its ultimate parent undertaking, MyTravel Group plc ("MyTravel"). The directors have received confirmation from MyTravel that, insofar as it is able to do so, it will provide financial support as is necessary to enable the company to meet its liabilities as they fall due for a period of at least 12 months from 8 April 2004, the date of signing these accounts. However, the ability of MyTravel to provide such support is uncertain. The principal causes of this uncertainty were described in MyTravel's annual accounts for the year ended 30 September 2003 and, with the exception of the Auto Europe disposal which has now completed, the matters giving rise to this uncertainty continue as at 8 April 2004. The accounting policies section of MyTravel's annual accounts for the year ended 30 September 2003 included the following statement:

"The Group's Directors have prepared projected cash flow information for the period ending 12 months from 11 December 2003. This information assumes that bookings will continue at acceptable levels and at acceptable margins. The Group is currently undergoing a significant restructuring of its UK operations, a process which is expected to generate cost savings through, inter-alia, the simplification and re-engineering of the Group's core processes and systems and the renegotiation of long term commitments. The projected cash flow information assumes that the restructuring plan referred to above will be implemented successfully.

The nature of the Group's business is such that there can be considerable unpredictable variation in the timing and margins of sales and the quantum and timing of cash flows from trading. However, on the basis of the projected cash flow information, which assumes continued careful management of working capital, and provided that the disposal of the Group's Auto Europe business is completed in the timetable currently envisaged, the directors consider that the Group will continue to operate within the facilities currently agreed.

Furthermore, the Group's UK tour operating businesses are required to operate under Air Travel Organisers' Licences, which were last renewed in September 2003, and its aircraft operating activities require licences. As a continuing requirement, the Group must satisfy the CAA that it is able to meet its obligations and the CAA may, if it is no longer satisfied in this respect, take action to suspend or revoke the Group's ATOL and operating licences. The dialogue with the CAA is ongoing. Whilst the Directors remain confident that the CAA will not withdraw the Group's licences, if they were to do so, the Group could not continue to operate."

Based on the letter of support and the explanations received from the directors of MyTravel, the directors have prepared these financial statements on the going concern basis. The financial statements do not include any adjustments that would result from the inability of the parent company to continue to provide adequate financial support.

#### *Income recognition and associated costs*

Turnover represents amounts receivable from inclusive tours. Revenues and direct expenses relating to inclusive tours are taken to the profit and loss account on holiday departure. Certain expenses such as the cost of non-revenue earning flights, brochure and promotional costs are charged to the profit and loss account over the season to which they relate where recovery of the costs is reasonably assured.

All turnover was derived in the United Kingdom from the company's principal activity.

### 1. ACCOUNTING POLICIES (CONTINUED)

#### *Cash flow statement*

As permitted by Financial Reporting Standard Number 1 (revised 1996), the company has not produced a cash flow statement as it is a wholly-owned subsidiary of MyTravel Group plc, which has produced a consolidated cash flow statement in its financial statements.

#### *Intangible fixed assets*

Goodwill arising on acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and amortised on a straight-line basis over its useful economic life of between 15 and 20 years. Provision is made for any impairment.

#### *Tangible fixed assets*

Tangible fixed assets are recorded at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, evenly over its expected useful life as follows:

Freehold buildings	- over 50 years
Computer equipment	- over 4 years
Fixtures and fittings	- over 10 years

Residual value is calculated on prices prevailing at the date of acquisition. The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Taxation*

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### *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.

# MyTravel Tour Operations Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 1. ACCOUNTING POLICIES (CONTINUED)

#### *Pension costs*

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### 2. OTHER OPERATING EXPENSES (NET)

	2003 £'000	2002 £'000
Selling and distribution costs	147,492	-
Administrative expenses	119,746	-
	<u>267,238</u>	<u>-</u>

### 3. FINANCE CHARGES (NET)

	2003 £'000	2002 £'000
Interest payable to group undertakings	(224)	-
External interest payable	(29)	-
Interest receivable and similar income	326	-
	<u>73</u>	<u>-</u>

### 4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2003 £'000	2002 £'000
The loss on ordinary activities before taxation is stated after charging:		
Amortisation of goodwill	(27)	-
Depreciation of tangible fixed assets - owned assets	(311)	-
Auditors' remuneration for audit services	(100)	-
Operating lease payments - land and buildings	(346)	-
- other	(140)	-
Operating exceptional items - Loss on disposal of land and buildings	(1,185)	-
- VAT costs	(5,100)	-
- Write off of irrecoverable intercompany debtors	(95,994)	-
	<u>(95,994)</u>	<u>-</u>

The exceptional items have increased tax losses carried forward by £30.7m.

# MyTravel Tour Operations Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5. STAFF COSTS

The average monthly number of employees (including executive directors) was 1,896 (2002 – Nil).

Their aggregate remuneration comprised:

	2003 £'000	2002 £'000
Wages and salaries	82,040	-
Social security costs	1,432	-
Other pension costs	841	-
	<u>84,313</u>	<u>-</u>

### 6. DIRECTORS' REMUNERATION

	2003 £	2002 £
Aggregate emoluments	848,721	-
Pension contributions	76,622	-
Benefits in kind	59,544	-
Termination payments	85,613	-
	<u>1,070,500</u>	<u>-</u>

	2003 No.	2002 No.
Members of defined contribution pension schemes	<u>6</u>	<u>-</u>

The amounts in respect of the highest paid director are as follows:

	2003 £	2002 £
Emoluments	240,000	-
Pension contributions	22,500	-
Benefits in kind	12,315	-
	<u>274,815</u>	<u>-</u>

# MyTravel Tour Operations Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7. TAX ON LOSS ON ORDINARY ACTIVITIES

The tax (credit)/charge comprises:

	2003 £'000	2002 £'000
<b>Current tax</b>		
UK corporation tax	(2,523)	-
Adjustment in respect of previous years	1,101	-
<b>Total current tax</b>	<b>(1,422)</b>	<b>-</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	317	-
Adjustments in respect of prior years	(222)	-
<b>Total deferred tax</b>	<b>95</b>	<b>-</b>
<b>Total tax credit on loss on ordinary activities</b>	<b>(1,327)</b>	<b>-</b>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2003 £'000	2002 £'000
<b>Loss on ordinary activities before tax</b>	<b>(313,730)</b>	<b>-</b>
Tax on loss on ordinary activities at standard UK corporation tax rate of 30% (2002 - 30%)	(94,119)	-
Effects of:		
Expenses not deductible for tax purposes	1,523	-
Capital allowances in excess of depreciation	(406)	-
Excess tax losses	101,235	-
Group relief	(10,756)	-
Adjustment in respect of previous years	1,101	-
<b>Current tax credit for the year</b>	<b>(1,422)</b>	<b>-</b>

A potential deferred tax asset amounting to £101.2m (2002 - £nil) relating to trading losses has not been recognised as, in the opinion of the directors, there is no certainty that there will be any suitable taxable gains available in the foreseeable future.

# MyTravel Tour Operations Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8. INTANGIBLE FIXED ASSETS

	<i>Goodwill</i> <i>£'000</i>
Cost	
At 1 October 2002	-
Acquired with business	531
	<hr/>
At 30 September 2003	531
	<hr/>
Amortisation:	
At 1 October 2002	-
Acquired with business	(73)
Charge for the year	(27)
	<hr/>
At 30 September 2003	(100)
	<hr/>
Net book value	
At 30 September 2003	431
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At 30 September 2002	-
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# MyTravel Tour Operations Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9. TANGIBLE FIXED ASSETS

	<i>Leasehold buildings £'000</i>	<i>Freehold buildings £'000</i>	<i>Computer equipment £'000</i>	<i>Fixtures and fittings £'000</i>	<i>Motor vehicles £'000</i>	<i>Total £'000</i>
Cost or valuation:						
At 1 October 2002	-	-	-	-	-	-
Acquired with business	984	3,068	8,123	826	53	13,054
Additions	13	42	-	640	-	695
Intra-group additions	435	-	-	-	-	435
Disposals	7	(3,110)	(8,123)	(429)	(53)	(11,708)
At 30 September 2003	1,439	-	-	1,037	-	2,476
Depreciation:						
At 1 October 2002	-	-	-	-	-	-
Acquired with business	(209)	(535)	(4,864)	(594)	(39)	(6,241)
Charge for the year	(156)	(28)	-	(121)	(6)	(311)
Intra-group additions	(146)	-	-	(223)	-	(369)
Disposals	(5)	563	4,864	285	45	5,752
At 30 September 2003	(516)	-	-	(653)	-	(1,169)
Net book value:						
At 30 September 2003	923	-	-	384	-	1,307
At 30 September 2002	-	-	-	-	-	-



# MyTravel Tour Operations Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 10 ACQUISITION OF BUSINESS

On 1 October 2002 the company acquired the Airtours Holidays and Flextravel divisions of MyTravel Group plc for consideration comprising intra-group loans of £95,944,000.

	<i>Book and fair value £'000</i>
<b>Fixed assets</b>	
Intangible	531
Tangible	6,813
<b>Current assets</b>	
Debtors	389,288
Cash	101
<b>Total assets</b>	<b>396,733</b>
<b>Creditors: amounts falling due within one year</b>	<b>(492,727)</b>
<b>Total liabilities</b>	<b>(492,727)</b>
<b>Net liabilities</b>	<b>(95,994)</b>
<b>Satisfied by</b>	
Intra-group loans	(95,994)

### 11. DEBTORS

	<i>2003 £'000</i>	<i>2002 £'000</i>
<i>Amounts falling due within one year:</i>		
Trade debtors	31,286	-
Amounts due from group undertakings	38,403	-
Corporation tax recoverable	2,524	-
Other debtors	5,962	-
Deposits and prepayments	67,780	-
	<b>145,955</b>	<b>-</b>
<i>Amounts falling due after one year:</i>		
Deposits and prepayments	11,451	-
	<b>157,406</b>	<b>-</b>

# MyTravel Tour Operations Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £'000	2002 £'000
Trade creditors	(43,119)	-
Amounts owed to group undertakings	(282,062)	-
Amounts owed to associated undertakings	(1,207)	-
Other creditors	(6)	-
Accruals and deferred income	(145,423)	-
	<u>(471,817)</u>	<u>-</u>

### 13. CALLED-UP SHARE CAPITAL

	2003 and 2002 No. of shares	2003 and 2002 £
<i>Authorised</i>		
Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

	2003 and 2002 No. of shares	2003 and 2002 £
<i>Allotted, called-up and fully paid</i>		
Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

### 14. PROFIT AND LOSS ACCOUNT

	£'000
At 1 October 2002	-
Loss for the financial year	(312,403)
At 30 September 2003	<u>(312,403)</u>

### 15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2003 £'000	2002 £'000
Loss for the financial year	(312,403)	-
Opening shareholder's funds	-	-
Closing shareholder's funds	<u>(312,403)</u>	<u>-</u>

# MyTravel Tour Operations Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 16. PENSION ARRANGEMENTS

The company operates a defined contribution scheme for which the pension cost charge for the year amounted to £841,000 (2002 - £Nil).

### 17. ULTIMATE CONTROLLING PARTY

The company is a wholly-owned subsidiary undertaking of MyTravel Group plc, a company registered in England and Wales.

The largest and smallest group of which MyTravel Tour Operations Limited is a member and for which group financial statements are drawn up is headed by MyTravel Group plc, whose principal place of business is at Parkway One, Parkway Business Centre, 300 Princess Road, Manchester M14 7QU. The consolidated financial statements of this group are available to the public and may be obtained from the above address.

### 18. POST BALANCE SHEET EVENTS

The company sold the business of Jetset Flights (including the brand name) on 18 December 2003 and realised a loss on disposal, before tax, of £533,000.

### 19. OTHER FINANCIAL COMMITMENTS

	Land and buildings		Other	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Between two and five years	-	-	140	-
After five years	346	-	-	-
	<u>346</u>	<u>-</u>	<u>140</u>	<u>-</u>

### 20. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption within FRS 8, Related Party Disclosures, not to disclose transactions with fellow group undertakings.