

CLASSIC COLLECTION HOLIDAYS LIMITED, (FORMERLY ADUR LEISURE LTD)
AND SUBSIDIARY COMPANIES.

COMPANY REGISTRATION NUMBER 1512421

DIRECTORS' REPORT FOR THE PERIOD ENDED 31st OCTOBER 2002.

The Directors present their report and financial statements for the period ended 31st October 2002.

ACTIVITIES.

The company was dormant until 16th April 2002 when it purchased 100% of the share capital of Classic Collection Holidays Travel and Leisure Ltd. (CCHTandL Ltd.). On this day it also changed its name to Classic Collection Holidays Ltd. On 30th April 2002 the company purchased the trade, assets and liabilities of CCHTandL Ltd and commenced trading in its own right as a tour operator. A wholly owned subsidiary company Classic Collection Aviation Ltd carries on the transport broking business for the group. Classic Collection Aviation Ltd. was previously a wholly owned subsidiary of CCHTandL Ltd. but became a direct wholly owned subsidiary of Classic Collection Holidays Ltd. on 30th April 2002.

FUTURE DEVELOPMENTS.

The results for the Group for the period and the financial position at the period end were considered satisfactory by the Directors who expect to see growth in the next financial year as the group continues to expand into new destinations.

RESULTS AND DIVIDENDS.

The results for the period are set out on Page 4.

DIRECTORS.

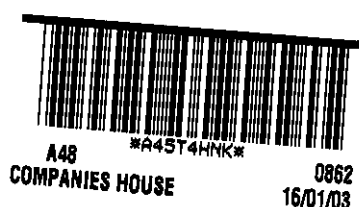
The following Directors have held office since 1st February 2002:

N.H.P Munday	
H.A. Munday	(resigned 2/3/02)
T.D.S. Charlwood	(appointed 2/3/02)
A.K. Thomson	(appointed 16/4/02)
M. de S. Brackenbury	(appointed 16/4/02)
J.V. Fleming	(appointed 16/4/02)
P.E.W. Munday	(appointed 16/4/02)

DIRECTORS' INTERESTS.

The directors' interests in the shares of the company were as stated below:

	Ordinary Shares of £1 each	
	<u>31st October 2002</u>	<u>1st February 2002</u>
H.A. Munday	-	1
N.H.P. Munday	600,000	99
J.V. Fleming	200,000	-
P.E.W. Munday	100,000	-
M. de S. Brackenbury	50,000	-
A.K. Thomson	100,000	-



CLASSIC COLLECTION HOLIDAYS LIMITED, (FORMERLY ADUR LEISURE LTD)
AND SUBSIDIARY COMPANIES.

COMPANY REGISTRATION NUMBER 1512421

DIRECTORS' REPORT FOR THE PERIOD ENDED 31st OCTOBER 2002.

DIRECTORS' REPORT. Continued...

DIRECTORS' 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 Group and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:-

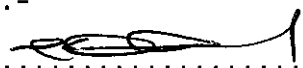
1. Select suitable accounting policies and then apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS.

Carpenter Box were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985 a resolution proposing that they be reappointed will be put to the Annual general Meeting.

The Director's Report was approved on 9th January 2003
and signed by:-


.....(T.D.S. Charlwood) - Secretary.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CLASSIC COLLECTION HOLIDAYS LIMITED, (FORMERLY ADUR LEISURE LTD)
AND SUBSIDIARY COMPANIES.

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS.

As described in the Statement of Directors' Responsibilities on page 1 the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom 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 mis-statements 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 Company's circumstances, consistently applied and appropriately disclosed.

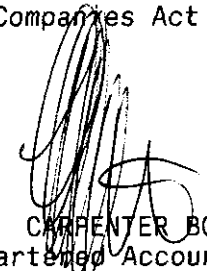
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity 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 state of the Company's and Group's affairs as at 31st October 2002 and of the group's result for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

GRAFTON LODGE,
 15 Grafton Road,
 Worthing.

9th January 2003


 CARPENTER BOX
 Chartered Accountants.
 Registered Auditor.

CLASSIC COLLECTION HOLIDAYS LIMITED, (FORMERLY ADUR LEISURE LTD)AND SUBSIDIARY COMPANIES.CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st OCTOBER 2002.

	<u>Notes</u>	ACQUISITIONS <u>31.10.02</u> £	<u>31.01.02</u> £
TURNOVER	1	3,285,297	-
COST OF SALES		2,703,747	-
GROSS PROFIT		581,550	-
OPERATING COSTS:-			
Less:-			
Administration Expenses		453,857	-
OPERATING PROFIT	10	127,693	-
Interest Receivable	11	30,030	-
Interest Payable	12	(8,897)	-
PROFIT ON ORDINARY) ACTIVITIES BEFORE TAXATION)		148,826	-
TAXATION	13	36,600	-
RETAINED PROFIT FOR THE PERIOD) CARRIED FORWARD)		112,226	-

None of the Group's activities were discontinued during the period to 31st October 2002. None of the Group's activities were acquired or discontinued in the year to 31st January 2002.

The Group made no recognised gains or losses in the period to 31st October 2002 or in the year to 31st January 2002 other than the profit for the period.

The notes on pages 9 to 15 form part of these accounts.

CLASSIC COLLECTION HOLIDAYS LIMITED, (FORMERLY ADUR LEISURE LTD)AND SUBSIDIARY COMPANY.CONSOLIDATED BALANCE SHEET, 31st OCTOBER 2002.

	<u>Notes</u>	<u>31.10.02</u>	<u>31.01.02</u>
		£	£
FIXED ASSETS:-			
Intangible Assets	3	738,586	-
Tangible Assets	4	48,665	-
		<u>787,251</u>	<u>-</u>
CURRENT ASSETS:-			
Debtors	6	150,969	-
Cash at Bank and in Hand		1,509,764	100
		<u>1,660,733</u>	<u>100</u>
CREDITORS (Amounts Falling)			
Due Within One Year	7	1,035,758	-
NET CURRENT ASSETS		624,975	100
		<u>1,412,226</u>	<u>100</u>
CREDITORS (Amounts Falling Due)			
After More Than One Year	8	175,000	-
NET ASSETS		<u>1,237,226</u>	<u>100</u>

Represented By:-

CAPITAL AND RESERVES:-

Called up Share Capital	9	1,125,000	100
Profit and Loss Account		112,226	-
SHAREHOLDERS' FUNDS -)			
EQUITY INTERESTS)	16	<u>1,237,226</u>	<u>100</u>

The notes on pages 9 to 15 form part of these accounts.

The accounts were approved on 9th January 2003 and signed by:-

.....*N. Munday*..... (N.H.P. Munday) - Director.

.....*T.D.S. Charlwood*..... (T.D.S. Charlwood) - Director.

CLASSIC COLLECTION HOLIDAYS LIMITED, (FORMERLY ADUR LEISURE LTD).BALANCE SHEET, 31st OCTOBER 2002.

	<u>Notes</u>	<u>31.10.02</u>	<u>31.01.02</u>
		£	£
FIXED ASSETS:-			
Intangible Assets	3	738,586	-
Tangible Assets	4	48,665	-
Shares in Group Companies	5	61,335	-
		<u>848,586</u>	<u>-</u>
CURRENT ASSETS:-			
Debtors	6	117,709	-
Cash at Bank and in Hand		1,508,847	100
		<u>1,626,556</u>	<u>100</u>
CREDITORS (Amounts Falling)			
Due Within One Year)	7	1,063,124	-
NET CURRENT ASSETS		<u>563,432</u>	<u>100</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,412,018</u>	<u>100</u>
Creditors due in more)			
than one year)	8	175,000	-
NET ASSETS		<u><u>1,237,018</u></u>	<u><u>100</u></u>

Represented By:-

CAPITAL AND RESERVES:-

Called up Share Capital	9	1,125,000	100
Profit and Loss Account	20	112,018	-
SHAREHOLDERS' FUNDS -			
EQUITY INTERESTS	16	<u><u>1,237,018</u></u>	<u><u>100</u></u>

The notes on pages 9 to 15 form part of these accounts.

The accounts were approved on
and signed by:-

9th January 2003

.....*N. Munday*.....(N.H.P. Munday) - Director.

.....*[Signature]*.....(T.D.S. Charlwood) - Director.

CLASSIC COLLECTION HOLIDAYS LIMITED (FORMERLY ADUR LEISURE LTD)AND SUBSIDIARY COMPANIES.CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st OCTOBER 2002.

	ACQUISITIONS		31.01.02	
	£	£	£	£
Net Cash Outflow from Operating Activities		(143,241)		-
Returns on Investments and)				
Servicing of Finance)				
Interest Received	30,030		-	
Interest Paid	(7,291)		-	
Net Cash Inflow for Return on)				
Investments of Servicing of Finance)		22,739		-
Taxation		(59,899)		-
Capital Expenditure				
Payments to Acquire Tangible Assets (48,575)			-	
Net Cash Outflow for Capital)				
Expenditure)		(48,575)		-
Acquisitions and Disposals				
Cash Transferred as part of)				
acquisition of subsidiaries)	1,743,336		-	
Acquisition of Subsidiary)				
undertakings (Note 4))	1,304,596		-	
Net cash inflow from acquisitions		438,740		-
Net Cash Inflow before Management)				
of Liquid Resources and Financing)		209,764		-
Management of Liquid Resources				
(Increase) in Notice)				
Accounts)	(190,549)		-	
		(190,549)		-
Financing				
Receipts from issue of shares	1,124,900		-	
Receipts from issue of loan stock	175,000			
Net cash inflow from financing		1,299,900		-
Increase in Cash in the Period		1,319,115		-

CLASSIC COLLECTION HOLIDAYS LIMITED (FORMERLY ADUR LEISURE LTD)AND SUBSIDIARY COMPANIES.NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED31st OCTOBER 2002.

	<u>31.10.02</u>	<u>31.01.02</u>
	<u>£</u>	<u>£</u>
1. Reconciliation of Operating Profit)		
to Net Cash Inflow from)		
Operating Activities)		
Operating Profit	127,693	-
Depreciation of Tangible Assets	4,367	-
Amortisation of Goodwill	18,880	-
(Increase) in Debtors	(33,322)	-
(Decrease) in Creditors)		
Within One Year)	(260,859)	-
	<u> </u>	<u> </u>
Net Cash Inflow/(Outflow) from)		
Operating Activities)	(143,241)	-
	<u> </u>	<u> </u>
2. Analysis of Net Funds	<u>1.2.02</u>	<u>Cashflow</u>
	<u>£</u>	<u>£</u>
Net cash :-		
Cash at Bank and in hand	100 1,509,664	1,509,764
Less : Deposits Treated as)		
Liquid Resources)	- (190,549)	(190,549)
	<u> </u>	<u> </u>
	100 1,319,115	1,319,215
Liquid Resources :-		
Deposits included in Cash	- 190,549	190,549
	<u> </u>	<u> </u>
Net Funds	100 1,509,664	1,509,764
	<u> </u>	<u> </u>
3. Reconciliation of Net Cash Flow)		
Movement to Movement in)		
Net Funds)		
	<u>31.10.02</u>	<u>31.01.02</u>
	<u>£</u>	<u>£</u>
Increase/(Decrease) in Cash in the Year	1,319,115	-
Cash Flow (Decrease)/Increase in Liquid Resources	190,549	-
	<u> </u>	<u> </u>
Movement in Net Funds Resulting from Cash Flow	1,509,664	-
Net Funds at 1st February 2002	100	100
	<u> </u>	<u> </u>
Net Funds at 31st October 2002	1,509,764	100
	<u> </u>	<u> </u>
4. The consideration for the subsidiaries)		
acquired comprised):-		
Cash	1,029,596	
Shares	100,000	
Loan Notes	175,000	
	<u> </u>	
	1,304,596	
	<u> </u>	

CLASSIC COLLECTION HOLIDAYS LIMITED, (FORMERLY ADUR LEISURE LTD)
AND SUBSIDIARY COMPANIES.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31st OCTOBER 2002.

1. ACCOUNTING POLICIES.

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

a) Turnover

Turnover represents the invoiced amount of services provided during the period before deducting travel agent commission where appropriate, and exclusive of value added tax

b) Basis of Consolidation

The consolidated Profit and Loss Account and Balance Sheet include the financial statements of the Company and its subsidiary undertakings using acquisition accounting as detailed in Note 2 to the financial statements. The results of Subsidiaries acquired are included in the profit and loss account from the date control passed. Intra-group transactions and balances are fully eliminated on consolidation.

c) Goodwill

Acquired goodwill is written off in equal annual instalments over 20 years which is its estimated useful economic life.

d) Investments

Fixed Asset Investments are stated at cost less provision for any permanent diminution in value.

e) Depreciation of Fixed Assets

Depreciation is provided at the following annual rates, on a straight line basis, to write off the cost of assets over their remaining useful lives.

Fixtures and Fittings	- 15% p.a.
Motor Vehicles	- 25% p.a.
Computers	- 25% p.a.

f) Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

g) Translation of Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at a costed rate and all differences are taken to the profit and loss account.

h) Liquid Resources

These represent deposits which require notice of withdrawal.

CLASSIC COLLECTION HOLIDAYS LIMITED, (FORMERLY ADUR LEISURE LTD)
AND SUBSIDIARY COMPANIES.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31st OCTOBER 2002.

2. ACQUISITIONS AND GOODWILL.

100% of the issued share capital of CCHT and L Ltd was purchased on 16th April 2002 for a consideration of £1,304,596. This acquisition has been accounted for using the acquisition method of accounting. The amount of goodwill arising as a result of the acquisition is £757,466. This has been capitalised on the group balance sheet.

The consideration was as follows:-

	£
Cash	1,029,596
Shares in Classic Collection Holidays Ltd	100,000
Unsecured Loan Stock	175,000
	<u>1,304,596</u>

The book value of the assets and liabilities acquired and the adjustments to fair value were as follows:-

	Book Value	Net Assets of Subsidiary Acquired	Fair Value to the Group
	£	£	£
Tangible Fixed Assets	4,457	-	4,457
Investments	2,000	(2,000)	-
Current Assets	1,845,554	15,429	1,860,983
Creditors	(1,302,339)	54,428	(1,247,911)
Taxation	(35,065)	(35,334)	(70,399)
	<u>514,607</u>	<u>32,523</u>	<u>547,130</u>
Goodwill			757,466
			<u>1,304,596</u>

Summary profit and loss account for acquisitions from the beginning of their financial year to the date of acquisition:-

	CCHT and L Ltd 1/11/01 - 16/4/02	Classic Collection Aviation Ltd 1/11/01 - 16/4/02
	£	£
Turnover	1,942,015	614,500
Operating Profit	1,648	36,679
Profit before Tax	30,367	36,679
Tax	5,100	5,400
Profit for the period	<u>25,267</u>	<u>31,279</u>
Profit for year ended 31st October 2001	<u>230,528</u>	<u>119,736</u>

There were no recognised gains or losses other than the profits in either 2001 or for the period prior to acquisition.

CLASSIC COLLECTION HOLIDAYS LIMITED, (FORMERLY ADUR LEISURE LTD)
AND SUBSIDIARY COMPANIES.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31st OCTOBER 2002.

3. INTANGIBLE FIXED ASSETS.

	<u>Goodwill</u> £
COST:-	
Additions	757,466
At 31st October 2002	<u>757,466</u>
AMORTISATION:-	
Charge for the Period	18,880
At 31st October 2002	<u>18,880</u>
NET BOOK VALUE:-	
At 31st October 2002	<u>738,586</u>
NET BOOK VALUE:-	
At 31st January 2002	<u>-</u>

4. TANGIBLE FIXED ASSETS.

Company and Group:-

	<u>Computer Equipment</u> £	<u>Fixtures and Fittings</u> £	<u>Total</u> £
COST:-			
Additions during the Year	47,796	5,236	53,032
At 31st October 2002	<u>47,796</u>	<u>5,236</u>	<u>53,032</u>
DEPRECIATION:-			
Charge for the Period	3,602	765	4,367
At 31st October 2002	<u>3,602</u>	<u>765</u>	<u>4,367</u>
NET BOOK VALUE:-			
At 31st October 2002	<u>44,194</u>	<u>4,471</u>	<u>48,665</u>
NET BOOK VALUE:-			
At 31st January 2002	<u>-</u>	<u>-</u>	<u>-</u>

CLASSIC COLLECTION HOLIDAYS LIMITED, (FORMERLY ADUR LEISURE LTD)
AND SUBSIDIARY COMPANIES.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31st OCTOBER 2002.

5. <u>GROUP COMPANIES.</u>	<u>CCHTandL</u> <u>LTD</u> £	<u>CCA</u> <u>LTD</u> £	<u>TOTAL</u> £
Additions at cost less) amounts written down) at 31st October 2002	59,335	2,000	61,335

The above represents 100% of the ordinary share capital of Classic Collection Aviation Limited, and 100% of Classic Collection Holidays Travel and Leisure Limited, whose results are included in the consolidated accounts. The principal activity of Classic Collection Aviation Ltd is that of Transport Broker. Classic Collection Holidays Travel and Leisure Ltd was acquired on 16th April 2002 and has been dormant since 30th April 2002 when the whole of its trade assets and liabilities were sold to Classic Collection Holidays Ltd.

The investments have been written down by the amount of pre acquisition profits distributed since the date of acquisition.

6. <u>DEBTORS.</u>	<u>Group</u>		<u>Company</u>	
	<u>31.10.02</u>	<u>31.01.02</u>	<u>31.10.02</u>	<u>31.01.02</u>
	£	£	£	£
Other Debtors	17,069	-	-	-
Prepayments	133,900	-	117,709	-
	<u>150,969</u>	<u>-</u>	<u>117,709</u>	<u>-</u>

7. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR).

	<u>Group</u>		<u>Company</u>	
	<u>31.10.02</u>	<u>31.01.02</u>	<u>31.10.02</u>	<u>31.01.02</u>
	£	£	£	£
Trade Creditors	909,274	-	820,655	-
Other Taxes and Social) Security Costs)	1,606	-	28,042	-
Corporation Tax Payable	47,100	-	26,100	-
Amount Owed to Subsidiaries	-	-	111,099	-
Other Creditors and Accruals	77,778	-	77,228	-
	<u>1,035,758</u>	<u>-</u>	<u>1,063,124</u>	<u>-</u>

8. <u>CREDITORS (AMOUNTS DUE AFTER MORE THAN ONE YEAR).</u>	<u>31.10.02</u>	<u>31.01.02</u>
	£	£
Unsecured Loan Notes 2005	<u>175,000</u>	<u>-</u>

The loan notes are redeemable on 31st December 2005 or at any time after April 2003 by the company giving 14 days notice to the note holders. The interest payable on the loan notes is the higher of 10% or 5% over the UK Bank of England base rate.

CLASSIC COLLECTION HOLIDAYS LIMITED, (FORMERLY ADUR LEISURE LTD)
AND SUBSIDIARY COMPANIES.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31st OCTOBER 2002.

9.	<u>SHARE CAPITAL.</u>	<u>31.10.02</u>	<u>31.01.02</u>
		£	£
	Authorised:-		
	1,200,000 Ordinary Shares of £1 each	1,200,000	100
		<u> </u>	<u> </u>
	Allotted, Issued and Fully Paid:-		
	As at 31st October 2002	1,125,000	100
		<u> </u>	<u> </u>

During the period the Company issued ordinary share capital of £1,124,900 at par to increase the capital base of the company and to finance acquisitions made during the period.

10.	<u>OPERATING PROFIT.</u>	<u>31.10.02</u>	<u>31.01.02</u>
		£	£
	Operating Profit is stated after Charging/((Crediting):-		
	Auditors' Remuneration	7,445	-
	Depreciation	4,367	-
	Operating Lease Rentals	11,505	-
	Exchange (Gains)/Loss	(105,580)	-
	Goodwill Amortisation	18,880	-
		<u> </u>	<u> </u>
	Director's Emoluments:-		
	For Services as Director	40,000	-
	Company Pension contributions accrued	2,000	-
		<u> </u>	<u> </u>
		42,000	-
		<u> </u>	<u> </u>

Retirement benefits are accruing for one director under a money purchase scheme which is to be established in the current financial year. The above represents the company's contributions accrued at the 31st October 2002.

11.	<u>INTEREST RECEIVABLE.</u>	<u>31.10.02</u>	<u>31.01.02</u>
		£	£
	Bank Interest	30,030	-
		<u> </u>	<u> </u>
12.	<u>INTEREST PAYABLE.</u>	<u>31.10.02</u>	<u>31.01.02</u>
		£	£
	On Loans Repayable Within 5 Years	8,897	-
		<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31st OCTOBER 2002.

13. <u>TAXATION.</u>	<u>31.10.02</u> £	<u>31.01.02</u> £
Domestic current year tax		
U.K. corporation tax	36,600	-
Current tax charge	36,600	-
Factors affecting the tax charge for the period		
Profit on ordinary activities before taxation	148,826	-
Profit on ordinary activities before taxation multiplied by effective rate UK corporation tax of 24%	36,600	-
Current tax charge	36,600	-

14. <u>DIRECTORS AND EMPLOYEES.</u>	<u>31.10.02</u> £	<u>31.01.02</u> £
a) Staff Costs Comprise:-		
Wages and Salaries	230,179	-
Social Security Costs	18,665	-
	248,844	-
b) Average Number of Employees for the period) 1st May to 31st October 2002 by Category):-		
Administration	5	-
Sales	14	-
	19	-

15. FINANCIAL COMMITMENTS.

At 31st October 2002 the Company had entered into Currency Forward Exchange Contracts to the value of £3,905,490 (31.1.02 £nil) Included within cash and bank deposits is an amount of £190,549 which represents cash cover in connection with these forward exchange contracts.

16. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS.

	<u>Group</u> <u>31.10.02</u> £	<u>31.01.02</u> £	<u>Company</u> <u>31.10.02</u> £	<u>31.01.02</u> £
Profit for the Period after Taxation	112,226	-	112,018	-
Proceeds from issue of shares	1,124,900	-	1,124,900	-
Net addition to Shareholders' Funds	1,237,126	-	1,236,918	
Opening Shareholders' Funds) at 1st February 2002)	100	100	100	100
Closing Shareholders' Funds) at 31st October 2002)	1,237,226	100	1,237,018	100

CLASSIC COLLECTION HOLIDAYS LIMITED, (FORMERLY ADUR LEISURE LTD)
AND SUBSIDIARY COMPANIES.

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31st OCTOBER 2002.

17. CONTINGENT LIABILITIES. 31.10.02 31.01.02
£ £

The Company has the following Contingent Liabilities:-

Bond in favour of:-
 Air Portugal

2,000 -

18. OPERATING LEASE COMMITMENT.

The Company is committed to the following payments in the next 12 months under an operating lease:-

Land and Buildings:-

31.10.02 31.01.02
 £ £

Lease Expiring:-
 Within Two to Five Years

23,350 -

19. TRANSACTIONS WITH DIRECTORS.

N. Munday and T. Charlwood (directors) have provided guarantees to ATOL to the effect that if Classic Collection Holidays Ltd or Classic Collection Aviation Ltd exceed their licence authorisation and then fail, they are liable to reimburse the Air Travel Trust in respect of any expenditure.

During the period consultancy fees of £35,289 were payable to T. Charlwood, director.

20. PROFIT OF PARENT COMPANY.

As permitted by section 230 of the Companies Act 1985, the Profit and Loss Account of the parent company has not been separated in the financial statements. The profit before tax and dividend attributable to the holding Company for the period was £133,018. The profit attributable after tax of £21,000 was £112,018.

21. RELATED PARTY TRANSACTIONS.

During the period prior to acquisition Classic Collection Aviation Ltd sold services totalling £614,500 and paid commissions and management fees totalling £101,450 to Classic Collection Holidays Travel and Leisure Ltd.

22. ULTIMATE CONTROL.

For the whole period, the Company was under the control of Mr. N. Munday, the major shareholder and Managing Director of the Company.