Villa Plus Limited
(Company No: 2039621)

Financial Statements
For the period ended 7 November 1997



Pearson & Company
Chartered Accountants
Watford

Villa Plus Limited
Financial Statements
For the year ended 7 November 1997

Contents	**Page**
Officers and professional advisors	1
Director's report	2-3
Directors' and Auditors' responsibilities for the Financial Statements	4
Auditors' report	5
Profit and loss account	6
Consolidated Balance sheet	7
Company Balance sheet	8
Notes to the financial statements	9-14

Villa Plus Limited
Officers and Professional Advisors
For the year ended 7 November 1997

Directors

N D Cooper
RA Mavani

Secretary

N D Cooper

Registered Office

4 College Yard
Lower Dagnall Street
St Albans
Herts
AL3 4PA

Company Registration Number

2039621 (Cardiff)

Auditors

Pearson & Company
Faircross House
116 The Parade
High Street
Watford
Herts
WD1 2AX

Bankers

Barclays Bank Plc
28 Hampstead High Street
London
NW3 1QB

Villa Plus Limited
Directors' Report
For the year ended 7 November 1997

The directors have pleasure in presenting their report and the audited financial statements for the year ended 7 November 1997.

Results and Dividends

The profit for the year after taxation was £52,203 (1996 - £66,288). Interim dividends of 158.08p (1996 - 162.5p) per ordinary share were paid during the year. The directors recommend no payment of a final dividend in order to conserve the liquid funds of the company.

Principal Activity and Business Review

The principal activity of the company continues to be the supply of overseas holiday accommodation and related services. The directors consider the level of activity to date to be satisfactory and are confident of improvement in the future.

Directors and Directors' Interests

The directors during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:-

	Ordinary shares of £1 each	
	7 November 1997	7 November 1996
N D Cooper	10,200	10,200
R A Mavani	2,000	2,000

Tangible Fixed Assets

Details of the movement in the tangible fixed assets of the group during the year are disclosed in note 7 of the financial statements.

Close Company Status

The close company provisions of the Income and Corporation Taxes Act 1988, as amended, apply to the company.

Going concern

The finances of the group are sound and the balance sheet remains strong. The directors expect that the group has adequate resources to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

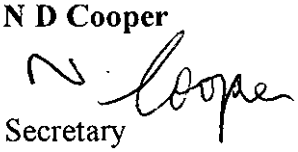
Villa Plus Limited
Directors' Report
For the year ended 7 November 1997(continued)

Auditors

A resolution to re-appoint the Auditors, Pearson and Company, will be proposed at the annual general meeting.

By Order of the Board.

N D Cooper



Secretary
St Albans, Herts
28 March 1998

Villa Plus Limited
Directors' and Auditors' Responsibilities for
The Financial Statements

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and the group as at the end of the financial period and of the profit or loss for that period. In preparing the financial statements, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Applicable accounting standards have been followed. The directors are also responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the group and to prevent and detect fraud or any other irregularities.

Auditors' responsibilities

The auditors are required to form an independent opinion, based on their audit, on whether the financial statements give a true and fair view and comply with the Companies Act 1985 and to report their opinion to the members. The Companies Act 1985 also requires the auditors to report to members if the following requirements are not met:

- the company has maintained proper accounting records;
- the financial statements are in agreement with the accounting records;
- the auditors have obtained all the information and explanations which to the best of their knowledge and belief are necessary for the purpose of their audit; and
- the contents of the directors' report are consistent with the financial statements.

The auditors are required to give, as far as they are reasonably able to do so, a statement giving the required particulars of the requirements of Schedule 6 of the Companies Act 1985 (which relate to disclosure of emoluments and other benefits of directors and others) are not complied with in the financial statements.

Auditor's Report
Villa Plus Limited

To the members of Villa Plus Limited

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention, and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 4, 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.

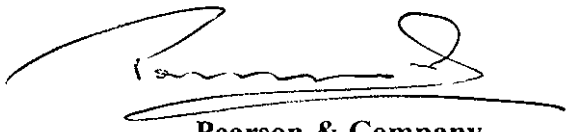
Basis of opinion

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 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 consider 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 state of affairs of the company and the group as at 7 November 1997, and of the profit of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Pearson & Company
Chartered Accountants
and Registered Auditor

Faircross House
116 The Parade
High Street
Watford, Herts
WD1 2AX

28 March 1998

Villa Plus Limited
Consolidated Profit and Loss Account
For the year ended 7 November 1997

	Note	1997 £	1996 £
Turnover	2	1,910,388	1,406,668
Cost of sales		(1,606,223)	1,137,755
Gross Profit		304,165	268,913
Administrative expenses		(252,291)	(180,650)
Operating Profit	3	51,874	88,263
Interest receivable		19,639	9,471
Interest payable	5	(530)	(4,150)
Profit on ordinary activities before taxation	2	70,983	93,584
Taxation on profit on ordinary activities	6	(18,780)	(27,296)
Profit on ordinary activities after taxation		52,203	66,288
Dividends		(31,616)	(32,500)
Profit for the financial period	13	£ 20,587	£ 33,788

Statement of total recognised gains

	1997 £	1996 £
Profit for the financial period	52,203	66,288
Unrealised surplus on revaluation of property	-	15,000
	£ 52,203	£ 81,288

The notes on pages 9 to 14 form part of the financial statements.

Villa Plus Limited
Consolidated Balance Sheet as at 7 November 1997

	Note	1997		1996	
		£	£	£	£
Fixed Assets					
Tangible assets	7		3,750		101,304
Current Assets					
Debtors	9	41,802		48,870	
Cash at bank and in hand		410,418		310,954	
		452,220		359,824	
Creditors: amounts falling due within one year	**10**	223,803		(249,548)	
Net Current Assets			228,417		110,276
Total Assets less current liabilities			232,167		211,580
Creditors: amounts falling due after more than one year	**11**		-		-
			£ 232,167		£ 211,580
Capital and Reserves					
Called up share capital	**12**		40,000		40,000
Profit and loss account	**13**		192,167		156,580
Revaluation reserve	**18**		-		15,000
Shareholders' Funds	**19**		£ 232,167		£ 211,580

The financial statements were approved by the board of directors on 28 March 1998 and signed on its behalf by

N D Cooper - Director



R A Mavani - Director



The notes on pages 9 to 14 form part of the financial statements.

Villa Plus Limited
Company Balance Sheet as at 7 November 1997

	Note	1997		1996	
		£	£	£	£
Fixed Assets					
Tangible assets	7		3,750		101,304
Investments	8		2,000		2,000
			5,750		103,304
Current Assets					
Debtors	9	169,852		162,602	
Cash at bank and in hand		410,164		304,085	
		580,016		466,687	
Creditors: amounts falling due within one year	10	353,599		(358,411)	
Net Current Assets			226,417		108,276
Total Assets less current liabilities			232,167		211,580
Creditors: amounts falling due after more than one year	11		-		-
			£ 232,167		£ 211,580
Capital and Reserves					
Called up share capital	12		40,000		40,000
Profit and loss account	13		192,167		156,580
Revaluation reserve	18		-		15,000
Shareholders' Funds	19		£ 232,167		£ 211,580

The financial statements were approved by the board of directors on 28 March 1998 and signed on its behalf by

N D Cooper - Director

R A Mavani - Director

The notes on pages 9 to 14 form part of the financial statements.

Villa Plus Limited
Notes to the Financial Statements
For the year ended 7 November 1997

1. Accounting Policies

a) Accounting Convention
The financial statements have been prepared under the historical cost convention as modified by the revaluation of the long leasehold property and are prepared in accordance with applicable accounting standards.

b) Consolidation
The consolidated financial statements of the group include the audited financial statements of the company and its subsidiary.

c) Hire Purchase Commitments
Assets held under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives

d) Depreciation
Depreciation is provided on all tangible fixed assets, other than long leasehold property, at rates calculated to write-off the cost of each asset over its useful life as follows:

Long leasehold property	-	Nil
Fixtures, fittings and equipment	-	20% per annum on cost

No depreciation is provided on long leasehold buildings as it is the company's policy to maintain these so as to extend their useful lives.

e) Promotion costs
Promotion costs are written off in the year to which the holidays relate.

f) Turnover
Turnover represents amounts invoiced to customers for services provided during the year excluding value added tax. Sales are recognised in the accounting year in which departure dates occur.

g) Foreign Currencies
Transactions denominated in foreign currencies are translated into sterling at the average rate. Assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Translation differences are dealt with in the profit and loss account.

2. Turnover and Profit on Ordinary Activities

Turnover and profit on ordinary activities are attributable to the one continuing activity, the supply of overseas holiday accommodation and related services. All sales arose in the United Kingdom. None of the group's activities were acquired nor discontinued during the period from 1 November 1995 to 7 November 1996 and year ended 7 November 1997.

Villa Plus Limited
Notes to the Financial Statements
For the year ended 7 November 1997

3. Operating Profit

This is stated after charging:

	1997	1996
	£	£
Auditors' remuneration	1,250	800
Depreciation of owned tangible fixed assets	5,232	4,697
Depreciation of assets under hire purchase contracts	-	-

4. Directors and Employees

Staff costs, including directors:

	1997	1996
	£	£
Wages and salaries	48,951	50,705
Pension scheme contributions	7,339	10,080
Social Security costs	5,891	3,922
	62,181	64,707

The average weekly number of employees, including the directors, during the year was 3 (1996 - 3) and comprised entirely of office and management personnel.

Directors' emoluments:

Other emoluments	13,399	30,741
Pension scheme contributions	840	10,080
	14,239	40,821
Emoluments, excluding pension scheme contributions:		
Chairman	13,399	12,551
Highest paid director	-	18,190

5. Interest Payable

Bank loans, not wholly repayable within five years	-	4,150
Hire purchase interest	-	-
	-	4,150

Villa Plus Limited
Notes to the Financial Statements
For the year ended 7 November 1997

6. Tax on Profit on Ordinary Activities

The tax charge on the profit on ordinary activities for the period was as follows:

	1997 £	1996 £
Corporation tax at 21% (1995: 24%)	18,436	27,250
Under provision in previous year	344	46
	18,780	27,296

7. Tangible Fixed Assets
Group and Company

	Long Leasehold Property £	Fixtures Fittings & Equipment £	Total £
Cost:			
At 8 November 1996	95,000	23,484	118,484
Additions	-	2,678	2,678
Revaluations	-	-	-
Disposals	(95,000)	-	(95,000)
At 7 November 1997	-	26,162	26,162
Depreciation:			
At 8 November 1996	-	17,180	17,180
Charge for the year	-	5,232	5,232
Eliminated on disposals	-	-	-
At 7 November 1997	-	22,412	22,412
Net book value:			
At 7 November 1997	-	3,750	3,750
At 7 November 1996	95,000	6,304	101,304

8. Investments
Company

	1997 £
Cost and Net book value at 7 November 1997	2,000

The investment represents 100% of the entire equity capital of Villa Plus Aviation Limited, a company operating and incorporated in the United Kingdom.

Villa Plus Limited
Notes to the Financial Statements
For the year ended 7 November 1997

9. Debtors

	Group		Company	
	1997	1996	1997	1996
	£	£	£	£
Trade debtors	12,965	2,770	12,965	1,014
Advance corporation tax recoverable	7,904	7,500	7,904	7,500
Other debtors	1,950	-	137,333	115,488
Prepayments and accrued income	18,983	38,600	11,650	38,600
	41,802	48,870	169,852	162,602

10. Creditors: Amounts falling due within one year

	Group		Company	
	1997	1996	1997	1996
	£	£	£	£
Bank loan and overdraft (note 16)	1,048	34,871	1,048	34,871
Obligation under hire purchase contracts (note 17)	-	-	-	-
Trade creditors	136,209	32,053	135,019	25,565
Corporation tax	18,436	27,250	-	-
Advance corporation tax	-	-	-	-
Amount owing to group undertaking	-	-	149,422	142,601
Other creditors including taxation and social security	18,721	106,421	18,721	106,421
Accruals and deferred income	49,389	48,953	49,389	48,953
	223,803	249,548	353,599	358,411

11. Creditors: Amounts falling due after more than one year
Group and Company

	1997	1996
	£	£
Bank loan (note 15)	-	-
Obligations under hire purchase contracts (note 17)	-	-
	-	-

12. Share Capital

	1997	1996
	£	£
Authorised:		
20,000 Ordinary shares of £1 each	20,000	20,000
20,000 Ordinary A shares of £1 each	20,000	20,000
Allotted, called up and fully paid:		
20,000 Ordinary shares of £1 each	20,000	20,000

Villa Plus Limited
Notes to the Financial Statements
For the year ended 7 November 1997

13. Profit and Loss Account
Group and Company

	1997	1996
	£	£
At 8 November 1996	156,580	122,792
Transfer from Revaluation Reserve	15,000	-
Retained profit for the period	20,587	33,788
At 7 November 1997	192,167	156,580

The entire retained profit for the period is dealt with in the company's financial statements.

14. Contingent Liabilities
Group and Company

At 7 November 1997, there were no contingent liabilities or guarantees other than those arising in the ordinary course of the group and company's business and on these no material losses are anticipated.

15. Commitments
Group and Company

Capital commitments at 7 November 1997, for which no provision has been made in these accounts, were as follows:

	1997	1996
	£	£
Contracted	-	-
Authorised but not contracted	-	-
	-	-

16. Bank Loan
Group and Company

	1997	1996
	£	£
Amounts repayable within five years	-	25,819
Amounts repayable after five years	-	-
	-	25,819

Villa Plus Limited
Notes to the Financial Statements
For the year ended 7 November 1997

17. Obligations Under Hire Purchase Contracts

	1997 £	1996 £
Amount payable:		
Within one year	-	-
Within two to five years	-	-
	-	-
Less: finance charge allocated to future periods	-	-
	-	-
Hire purchase contracts are analysed as follows:		
Current obligations	-	-
Non-current obligations	-	-
	-	-

18. Revaluation reserve

	1997 £	1996 £
At 8 November 1996	15,000	-
Surplus on revaluation of property	-	15,000
Transfer to profit and loss account	(15,000)	-
	-	15,000

19. Reconciliation of Shareholders' Funds

	1997 £	1996 £
At 8 November 1996	211,580	142,792
Issue of shares	-	20,000
Profit for the year	52,203	66,288
Recognised gain relating to the period	-	15,000
Dividends	(31,616)	(32,500)
At 7 November 1997	232,167	211,580

20. Profit for the financial period

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit after taxation for the financial period amounted to £20,587 (1996 - £33,788).