

JAFFARANCH LIMITED
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED
31ST DECEMBER 1994

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2. Report of the Director
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JAFFARANCH LIMITEDCOMPANY NUMBER 1860166OFFICERS AND PROFESSIONAL ADVISERSCHAIRMAN

Mr V C K Allen

DIRECTOR

Mr V C K Allen

SECRETARY

Mrs E C Brooks

ACCOUNTANTSFebeson and Arbeid
Chartered Accountants
3 Albemarle Street
London W1X 4AUREGISTERED OFFICE3 Albemarle Street
London W1X 4AU

JAFFARANCH LIMITEDDIRECTOR'S REPORT

The Director submits the accounts of the Company for the year ended 31st December 1994.

1. PRINCIPAL ACTIVITY AND REVIEW OF ACTIVITIES

The principal activity of the Company is that of Travel Agents.

There was a down turn in business during the year but the Company hopes to expand its activities given a more favourable trading environment.

2. RESULTS AND DIVIDENDS

The Loss for the year after taxation amounted to £2,317 (1993 £6,422 Profit).

The Director paid an interim dividend of £60 per share during the year (1993 £NIL). The Director considers the state of affairs at the Balance Sheet date to be satisfactory.

3. DIRECTOR

The undernoted served as sole Director throughout the year and his interest in the company's shares is as follows:-

	<u>Ordinary Shares of £1</u>	
	<u>1994</u>	<u>1993</u>
Mr V C K Allen	99	99

Mr Allen also jointly holds one share with another.

4. CHANGES IN FIXED ASSETS

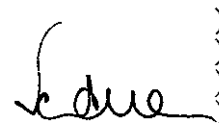
Changes in Fixed Assets are shown in the Notes of the Accounts.

5. TAX STATUS

The Company is a "Close Company" as defined in the Income and Corporation Taxes Act 1988.

6. ACCOUNTANTS

Messrs Febeson and Arbeid Chartered Accountants have expressed their willingness to continue in office as reporting accountants.

 } Director

V. ALLEN

146 Forest Hill Road
London
SE23 3QR

27th October 1995

JAFFARANCH LIMITEDSTATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the Director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently
- make judgements 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 financial statements.

The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS OF JAFFARANCH LIMITED

We report on the accounts for the year ended 31st December 1994 set out on pages 4 to 7.

Respective responsibilities of directors and reporting accountants

As described above the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of OpinionIn our opinion

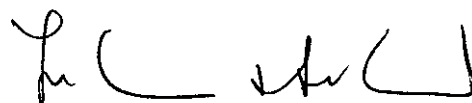
Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and so making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OpinionIn our opinion

- a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985.
- b) having regard only to, and on the basis of, the information contained in those accounting records:
 - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

3 Albemarle Street
London
W1X 4AU

27th October 1995



FEBESON + ARBEID

Chartered Accountants
Registered Auditors

JAFFARANCH LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1994

	<u>Note</u>	<u>1994</u> £	<u>1993</u> £
<u>CONTINUING OPERATIONS</u>			
<u>SALES</u>		89,165	150,985
<u>PURCHASES</u>		<u>76,284</u>	<u>125,589</u>
		12,881	25,396
<u>ADMINISTRATIVE EXPENSES</u>	2	<u>(15,176)</u> (2,295)	<u>(16,968)</u> 8,428
<u>OTHER INTEREST RECEIVABLE</u> and similar income	3	761	854
<u>INTEREST PAYABLE</u> and similar charges	4	<u>(783)</u>	<u>(624)</u>
<u>LOSS/PROFIT</u> on Ordinary Activities before Taxation		(2,317)	8,658
<u>TAX</u> on Profit on Ordinary Activities	8	—	<u>2,236</u>
<u>LOSS/PROFIT</u> on Ordinary Activities after Taxation		(2,317)	6,422
<u>DIVIDEND</u> paid of £60 per share		<u>(6,000)</u> (8,317)	<u>—</u> 6,422
<u>RETAINED</u> Profit at 1st January 1994		<u>14,385</u>	<u>7,963</u>
<u>RETAINED PROFIT</u> at 31st December 1994		<u>6,068</u>	<u>14,385</u>

STATEMENT OF RECOGNISED GAINS AND LOSSES

(Loss)/Profit for the financial year	<u>(8,317)</u>	6,422
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RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

(Loss)/Profit for the financial year	(8,317)	6,422
Shareholders Funds at 1st January 1994	<u>14,485</u>	<u>8,063</u>
Shareholders Fund at 31st December 1994	<u>6,168</u>	<u>14,485</u>

JAFFARANCH LIMITED
BALANCE SHEET AT 31ST DECEMBER 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets	5	964	855
<u>CURRENT ASSETS</u>			
Debtors	6	22,372	14,760
Cash at Bank		<u>16,288</u>	<u>22,075</u>
		38,660	36,835
<u>CREDITORS: Amounts falling due</u>			
within one year	7	<u>33,456</u>	<u>23,205</u>
<u>NET CURRENT ASSETS</u>		<u>5,204</u>	<u>13,630</u>
<u>TOTAL ASSETS LESS CURRENT</u>			
<u>LIABILITIES</u>		<u>6,168</u>	<u>14,485</u>
<u>CAPITAL AND RESERVES</u>			
Authorised Share Capital		<u>100</u>	<u>100</u>
Called Up Share Capital	9	100	100
Profit and Loss Account		<u>6,068</u>	<u>14,385</u>
		<u>6,168</u>	<u>14,485</u>

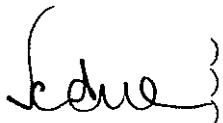
For the year ended 31st December 1994 the Company is entitled to the exemption conferred by Section 249A(2) of the Companies Act 1985.

No notice has been deposited under Section 249B of the Companies Act 1985 in relation to the accounts for the year ended 31st December 1994.

The director acknowledges his responsibility for

- (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to accounts so far as applicable to the company.

Approved by the board and signed on its behalf on:
 27th October 1995 by

 Director

V. ALLEN

JAFFARANCH LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST DECEMBER 19941. a. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention and comply with applicable UK accounting standards.

b. Depreciation

Depreciation is provided on all Tangible Fixed Assets calculated to write off the cost of these assets over their expected useful life as follows:-

Fixtures, Fittings and Office Equipment:	20% per annum on written down value.
Motor Vehicle:	20% per annum based on cost

c. Turnover

Turnover represents amounts chargeable to customers for the year.

d. Corporation Tax

The charge for the year, if any, in respect of Corporation Tax is based on those profits assessable to corporation tax less appropriate capital allowances.

e. The company has taken advantage of the exemption in Financial Reporting Standard No.1 from producing cash flow statements on the grounds that it is a small company.

	<u>1994</u> £	<u>1993</u> £
2. <u>ADMINISTRATIVE EXPENSES</u>		
These include		
Depreciation (see Note 5)	241	214
Director's Remuneration	-	2,800
3. <u>OTHER INTEREST RECEIVABLE AND SIMILAR INCOME</u>		
Bank Interest Received	616	509
Loan Interest Received	<u>145</u>	<u>345</u>
	<u>761</u>	<u>854</u>
4. <u>INTEREST PAYABLE AND SIMILAR CHARGES</u>		
Interest payable on sums repayable within 5 years		
Bank Interest and Charges	<u>783</u>	<u>624</u>

JAFFRANCH LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)

	<u>Cost</u>	<u>Depreciation</u>	<u>Net Book Value</u>	<u>1993</u>
	£	£	£	£
5. <u>FIXED ASSETS</u>				
<u>Tangible Assets</u>				
<u>Furniture Fixtures and Office</u>				
<u>Equipment</u>				
Balance at 1st January 1994	2,791	1,936		
Addition in the year	350			
Depreciation charged for the year		241		
	<u>3,141</u>	<u>2,177</u>	<u>964</u>	<u>855</u>
6. <u>DEBTORS</u>				
Advance Corporation Tax			1,520	-
Trade Debtors			4,200	4,868
Other Debtors			8,239	3,097
Amount due from Associated Company			<u>8,413</u>	<u>6,795</u>
			<u>22,372</u>	<u>14,760</u>
Other debtors include a bond deposit of £5,000 in favour of British Rail over which the company's bankers have a charge.				
7. <u>CREDITORS</u>				
Trade Creditors			3,578	2,109
Corporation Tax			1,500	2,660
Director's Loan Account			22,256	12,864
Accruals			<u>6,122</u>	<u>5,572</u>
			<u>33,456</u>	<u>23,205</u>
8. <u>TAXATION</u>				
Corporation Tax on profit for the year at 25% (1993 25%)			-	<u>2,236</u>
9. <u>SHARE CAPITAL</u>				
<u>Authorised</u>				
100 Ordinary shares of £1 each			<u>100</u>	<u>100</u>
<u>CALLED UP</u>				
100 Ordinary shares of £1 each issued and fully paid			<u>100</u>	<u>100</u>
10. <u>CONTINGENT LIABILITY</u>				
The Company is at present continuing strenuously to resist two legal claims for holiday costs and compensation. However, additional legal costs of £3,643 were incurred during the year. Should the company be liable further costs are estimated at £11,000 and no provision has been made in these accounts for such further costs.				

STAFF

The Company has no staff other than the Director.