

Check-In Holidays Limited

Directors' report and financial statements

30 April 2001

Registered number: 2293523



Directors' report and financial statements

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Check-In Holidays Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 2001.

Principal activity

The principal activity is that of a transport company, primarily in the United Kingdom.

Results

The company did not trade during the year.

Review of operations

Due to the cessation of the Virgin Holidays Startrain programme in 1997, there has been no activity during the year. However Check-In Holidays may act as a purchasing company for the European charter operation of the immediate parent undertaking, Virgin Holidays Limited.

Dividends

The directors do not recommend the payment of a dividend (2000: £Nil).

Directors

The directors who served during the year were as follows:

R H C Simms	(resigned 1 October 2001)
P A G Bryon	
N E Primrose	(resigned 30 November 2001)
S B Ridgway	(appointed 28 June 2000)

The following directors have been appointed since the year end:

P D Griffiths	(appointed 7 June 2001 and resigned 29 November 2001)
J H Southern	(appointed 29 November 2001)
A E Wills	(appointed 1 October 2001)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company or other group companies.

Check-In Holidays Limited

Directors' report *(continued)*

European Monetary Union

Management have reviewed and continue to monitor the impact of the Euro to ensure the business responds to the risks and opportunities that this presents.

Auditors

The members of the Company have passed elective resolutions in accordance with Sections 366A, 252 and 386 of the Companies Act 1985 dispensing with the previous statutory requirement of holding annual general meetings, laying accounts before the Company in general meetings and re-appointing auditors annually. This last resolution will lead to the continuing appointment of KPMG as auditors of the Company until further notice.

On behalf of the Board



S B Ridgway
Director

120 Campden Hill Road
LONDON
W8 7AR

26 February 2002

Check-In Holidays Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 directors are 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;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors having prepared the financial statements, note that the auditors are required by the Companies Act 1985 to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their audit report.



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8 Salisbury Square
London
EC4Y 8BB

Independent auditors' report to the members of Check-In Holidays Limited

We have audited the financial statements on pages 5 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

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 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 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 the Company's affairs as at 30 April 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

28 February 2002

KPMG
Chartered Accountants

Registered Auditors

Check-In Holidays Limited

Profit and loss account for the year ended 30 April 2001

	Note	Year ended 30 April 2001 £	Year ended 30 April 2000 £
Turnover		-	-
Cost of sales		-	-
Gross profit		<u>-</u>	<u>-</u>
Administrative expenses	1 (b)	-	-
Operating profit on ordinary activities before taxation		<u>-</u>	<u>-</u>
Tax on profit on ordinary activities		-	-
Retained profit for the year		<u>-</u>	<u>-</u>
Retained profit brought forward		126,202	126,202
Retained profit carried forward		126,202	126,202

There are no recognised gains or losses for the year.

The notes on pages 7 to 9 form part of these financial statements.

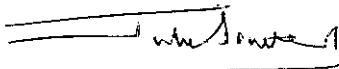
Check-In Holidays Limited

Balance sheet

at 30 April 2001

	Note	£	30 April 2001 £	£	30 April 2000 £
Current assets					
Debtors	4	558,788		558,788	
		<u>558,788</u>		<u>558,788</u>	
Creditors: amounts falling due within one year	5	(432,584)		(432,584)	
Net current assets			<u>126,204</u>		<u>126,204</u>
Total assets less current liabilities, and net assets			<u>126,204</u>		<u>126,204</u>
Capital and reserves					
Called up share capital	6		2		2
Profit and loss account			126,202		126,202
Equity shareholders' funds	7		<u>126,204</u>		<u>126,204</u>

These financial statements were approved by the Board of Directors on 26 February 2002 and were signed on its behalf by:



J H Southern
Director

The notes on pages 7 to 9 form part of these financial statements.

Check-In Holidays Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following significant accounting policies have been consistently applied in dealing with items which are considered material in relation to the Company's financial statements:

(a) *Basis of preparation*

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

Under Financial Reporting Standard 1 (Revised) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of Virgin Holidays Limited which in turn is a wholly owned subsidiary undertaking of Virgin Travel Group Limited and its cash flows are included within the consolidated cash flow statement of Virgin Travel Group Limited.

(b) *Administrative expenses*

Administrative expenses comprise overhead expenses together with marketing and promotional costs.

(c) *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2 Analysis of turnover and profit on ordinary activities before taxation

In the opinion of the directors, there is only one activity, namely that of buying and selling rail travel principally in the United Kingdom. All turnover originates from within the United Kingdom.

3 Emoluments of directors

The directors were the only employees of the Company. The directors received no emoluments for the year (2000: £Nil).

Check-In Holidays Limited

Notes (continued)

4 Debtors: amounts falling due within one year

	30 April 2001 £	30 April 2000 £
Trade debtors	223,629	223,629
Amounts due from group undertakings	335,159	335,159
	<u>558,788</u>	<u>558,788</u>

5 Creditors: amounts falling due within one year

	30 April 2001 £	30 April 2000 £
Taxation	58,411	58,411
Accruals and deferred income	374,173	374,173
	<u>432,584</u>	<u>432,584</u>

6 Share capital

	30 April 2001 £	30 April 2000 £
<i>Authorised:</i>		
Ordinary shares of £1 each	100	100
<i>Allotted and called up:</i>		
Ordinary shares of £1 each	2	2

Check-In Holidays Limited

Notes (continued)

7 Reconciliation of movement in shareholders' funds

	30 April 2001 £	30 April 2000 £
At 1 May 2000	126,204	126,204
Retained profit for the year	-	-
	<hr/>	<hr/>
At 30 April 2001	126,204	126,204
	<hr/>	<hr/>

8 Related party transactions

At 30 April 2001, the Company's ultimate parent and controlling company was Virgin Group Investments Limited, whose principal shareholders are certain trusts, none of which individually has a controlling interest in Virgin Group Investments Limited. The principal beneficiaries of those trusts are Sir RCN Branson and his immediate family. The shareholders of Virgin Group Investments Limited have interests directly or indirectly in certain other companies which are considered to give rise to related party disclosures under Financial Reporting Standard 8.

The Company, being a subsidiary undertaking of Virgin Atlantic Limited, has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions with entities which form part of the group or investees of the group qualifying as related parties. These transactions have been disclosed in the consolidated financial statements of the intermediate holding company, Virgin Atlantic Limited, which are publicly available (see note 9).

There are no material balances by the Company with related entities which are required to be disclosed by Financial Reporting Standard 8.

9 Ultimate holding company

As at 30 April 2001, the ultimate holding company is Virgin Group Investments Limited, a company registered in the British Virgin Islands.

As at 30 April 2001, Ivanco (No.1) Limited, a company registered in England & Wales, is the parent undertaking of the largest group of which the Company is a member and for which consolidated financial statements are drawn up.

As at 30 April 2001, Virgin Travel Group Limited, a company registered in England & Wales, is the parent undertaking of the smallest group of which the Company is a member and for which consolidated financial statements are drawn up.

Copies of the financial statements for both these UK companies, together with those for Virgin Atlantic Limited, may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ.