

Junopart Limited

Directors' report and financial statements

31 August 1995

Registered number: 2975806



Junopart Limited

Directors' report

The directors present their annual report and the audited financial statements of the Company for the eleven months ended 31 August 1995. On 6th October 1994, the Company was incorporated as Junopart Limited.

Principal activity

The principal activity of the Company is that of owning and leasing property.

Review of business and future developments

Both the level of business and the period end financial position are satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend. The loss for the period transferred to the Company's reserves is £178,859.

Fixed assets

Movements in fixed assets are disclosed in note 6 to the financial statements.

Directors

The directors who served throughout the period were as follows;

R C N Branson	(Appointed 24 October 1994)
T M Abbott	(Appointed 24 October 1994)
S T M Murphy	(Appointed 24 October 1994)
Hallmark Registrars Limited	(Appointed 6 October 1994, resigned 24 October 1994)

None of the directors had an interest in the shares of the Company during the period other than as a result of an interest in the shares of the ultimate holding company at 31 August 1995, Virgin Travel Investments Limited. The shareholdings of the relevant directors are disclosed in the directors' report of that company.

Auditors

KPMG Peat Marwick were appointed auditors of the Company during the period.

Junopart Limited


Directors' report *(continued)*

Auditors *(continued)*

On 6 February 1995, our auditors changed the name under which they practise from KPMG Peat Marwick to KPMG and, accordingly, have signed their report in their new name.

The members of the Company intend to pass 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 reappointing auditors annually. This last resolution will lead to the continuing appointment of KPMG as auditors of the Company until further notice.

By order of the Board



D P Legge
Company Secretary

120 Campden Hill Road
London W8 7AR

20 August 1996

Junopart Limited

Statement of 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 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 policies 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 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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Brighton Road
Crawley
West Sussex RH11 9PT

Report of the auditors to the members of Junopart Limited

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

As described on page 3 the Company's directors are responsible for the preparation of the 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 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 31 August 1995 and of its loss for the period from 6 October 1994 (the date of incorporation) to 31 August 1995 and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to be 'KMF' or similar, written in a cursive style.

Chartered Accountants
Registered Auditors

20 August 1996

Junopart Limited

Profit and loss account

for the eleven month period ended 31 August 1995

		11 months ended 31 August 1995 £
	<i>Note</i>	
Turnover	2	309,085
Cost of sales		(455,256)
Gross loss		(146,171)
Administrative expenses		(32,688)
Operating loss		(178,859)
Loss on ordinary activities before taxation	5	(178,859)
Tax on loss on ordinary activities		-
Retained loss for the financial period		(178,859)

There are no recognised gains or losses other than the loss for the period. The loss for the period arises from continuing operations.

The notes on pages 7 to 10 form part of these financial statements.

Junopart Limited

Balance sheet

at 31 August 1995

	Note	1995 £
Fixed assets		
Tangible assets	6	1,990,551
Creditors: amounts falling due within one year	7	(2,169,408)
Net current liabilities		(2,169,408)
Total assets less current liabilities		(178,857)
Net liabilities		(178,857)
Capital and reserves		
Called up share capital	8	2
Profit and loss account		(178,859)
Equity shareholders' funds		(178,857)

These financial statements were approved by the Board of Directors on 20 August 1996 and were signed on its behalf by:



S T M Murphy
Director

The notes on pages 7 to 10 form part of these financial statements.

Junopart 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, and on a going concern basis in accordance with applicable accounting standards. This policy has been applied consistently for the period under review. Virgin Travel Investments Limited, the ultimate holding company of Junopart Limited at 31 August 1995, has confirmed that it will provide support in order that the Company can meet its commitments as they fall due.

Under Financial Reporting Standard 1, 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 Travel Investments Limited and its cash flows are included within the consolidated cash flow statement of that company.

b) *Depreciation*

No depreciation is provided on freehold land and buildings as it is the Company's policy to maintain its properties in a sound state of repair and accordingly the directors consider that the lives of the properties are so long and residual values at such a level that depreciation is immaterial.

c) *Translation of foreign currencies*

Assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at the end of the accounting period. Revenues and costs are translated into sterling at the average rate of exchange for the period.

2. Analysis of turnover and loss on ordinary activities before taxation

The loss on ordinary activities before taxation is attributable to the Company's principal activity. All turnover originates from within the United States of America.

Junopart Limited

Notes *(continued)*

3. Staff numbers

The average number of persons employed by the Company, excluding directors, analysed by category was as follows:

	11 months ended 31 August 1995
Management and administration	Nil
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4. Emoluments of the directors

The directors received no emoluments for the period.

5. Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging the following:

	11 months ended 31 August 1995 £
Auditors' remuneration:	
Audit	2,000
Other	3,150
Exchange differences	4,512
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Junopart Limited

Notes (continued)

6. Tangible fixed assets Freehold land and buildings

	£
<u>Cost</u>	-
At 6 October 1994	1,990,551
Additions	
At 31 August 1995	1,990,551
<u>Depreciation</u>	-
At 6 October 1994	-
Charge for the period	
At 31 August 1995	-
<u>Net Book Value</u>	1,990,551
At 31 August 1995	1,990,551

7. Creditors: amounts falling due within one year

	31 August 1995 £
Amounts owed to parent undertaking	3,148
Amount owed to fellow subsidiary undertakings	2,164,260
Accruals and deferred income	2,000
	2,169,408

Junopart Limited

Notes (continued)

8. Share capital

	31 August 1995 £
<i>Authorised:</i>	
Ordinary shares of £1 each	1,000
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<i>Issued and called up:</i>	
Ordinary shares of £1 each	2
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The two ordinary shares were issued at par on the incorporation of the Company.

9. Financial commitments

The Company is committed to pay an amount not exceeding \$380,000 per annum commencing on 15 January 1996 and ending on 15 January 2000 in respect of the early termination of a property lease.

10. Ultimate holding company

The ultimate and immediate holding company at 31 August 1995 for which consolidated financial statements have been drawn up is Virgin Travel Investments Limited, a company registered in England and Wales.