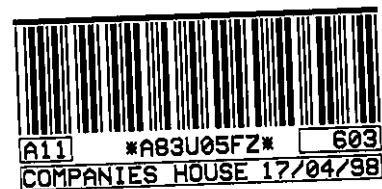


Company No: 3022132.

SUNWORLD (BEACH VILLAS) LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST DECEMBER 1997



SUNWORLD (BEACH VILLAS) LIMITED  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST DECEMBER 1997

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## SUNWORLD (BEACH VILLAS) LIMITED

### DIRECTORS REPORT

The Directors submit their report and the audited financial statements for the period ended 31st December 1997.

#### 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- d. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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. The Directors are 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.

#### Activities

The Company operates as a specialist tour operator offering inclusive villa holidays.

#### Business review and future developments

The Company has continued to successfully build its range of niche products, the results for the period are encouraging for the future.

#### Results and dividends

The profit/(loss) for the period after taxation, amounted to £429,039 (1996: (£103,086) loss). The Directors do not recommend the payment of a dividend and the profit is taken to the reserves.

#### Directors and their interests

The Directors of the Company who held office during the period were as follows:

N Wright  
D Wilson (resigned 7th July 1997)  
T Evans (alternate Director to D Wilson) (resigned 15th December 1996)  
N Hards

The Company is a wholly owned subsidiary of Lomasedge Limited, which is itself a wholly owned subsidiary of Sunworld Limited.

None of the Directors held any interests in the shares of the parent and other group companies during the period.

#### Change of accounting year end

On the 25th June 1997 the Company changed its accounting reference date from 30th September to 31st December, these financial statements cover the period 1st October 1996 to 31st December 1997.

#### Auditors

Coopers & Lybrand have informed the Company of their willingness to continue in office as auditors. In accordance with Section 385 of the Companies Act 1985, a resolution proposing their re-election as auditors will be submitted to the Annual General Meeting.

BY ORDER OF THE BOARD

N. Wright

Director



Registered Office:

45 Berkeley Street  
Piccadilly  
London  
W1A 1EB

Dated: 16th March 98.

## SUNWORLD (BEACH VILLAS) LIMITED

### REPORT OF THE AUDITORS TO THE MEMBERS OF SUNWORLD (BEACH VILLAS) LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies as set out on page 5.

#### Respective responsibilities of directors and auditors

As described in the Directors report on page 1, 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 financial statements and to report our opinion to you.

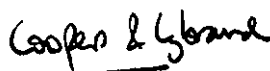
#### Basis of opinion

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 affairs of the Company as at 31st December 1997 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand  
Chartered Accountants and Registered Auditors  
London

16  
..... March 1998.

**SUNWORLD (BEACH VILLAS) LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE FIFTEEN MONTHS ENDED 31ST DECEMBER 1997**

	Notes	For the 15 months ended 31st December 1997 £	For the 6 months ended 30th September 1996 £
Turnover	2	7,098,865	5,151,329
Cost of sales		(6,240,125)	(4,052,422)
<b>Gross profit</b>		<u>858,740</u>	<u>1,098,907</u>
Administrative expenses		(759,895)	(1,201,993)
<b>Operating profit/(loss)</b>	3	<u>98,845</u>	<u>(103,086)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>98,845</u>	<u>(103,086)</u>
Tax on profit/(loss) on ordinary activities	6	330,194	-
<b>Profit/(loss) for the financial period</b>	11	<u>429,039</u>	<u>(103,086)</u>

There are no recognised gains or losses other than the profit/(loss) for the financial period.

Turnover and operating profit/(loss) all derive from continuing operations.

There is no difference between the profit/(loss) on ordinary activities before taxation and the retained profit/(loss) for the period and their historical cost equivalents.

SUNWORLD (BEACH VILLAS) LIMITED

BALANCE SHEET

AT 31ST DECEMBER 1997

	Notes	£	31st December 1997 £	£	30th September 1996 £
<b>Fixed assets</b>					
Tangible assets	7		<u>10,059</u>		<u>17,988</u>
<b>Current assets</b>					
Debtors	8	1,979,934		2,573,944	
Cash at bank and in hand		-		404	
		<u>1,979,934</u>		<u>2,574,348</u>	
<b>Creditors: Amounts falling due within one year</b>	9	(8,300,661)		(9,332,043)	
<b>Net current liabilities</b>			<u>(6,320,727)</u>		<u>(6,757,695)</u>
<b>Net (liabilities)</b>			<u>(6,310,668)</u>		<u>(6,739,707)</u>
<b>Equity capital and reserves</b>					
Called up share capital	10		2		2
Profit and loss account	11		(6,310,670)		(6,739,709)
<b>Equity shareholders funds</b>			<u>(6,310,668)</u>		<u>(6,739,707)</u>

Approved by the board on 16 March 1998 and signed on its behalf by

N.Hards

Director

N.Wright

Director

## **SUNWORLD (BEACH VILLAS) LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

#### **FOR THE FIFTEEN MONTHS ENDED 31ST DECEMBER 1997**

##### **1. Accounting policies**

The financial statements have been prepared in accordance with statements of standard accounting practice issued by UK accounting bodies.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and on a going concern basis.

The financial statements have been prepared on a going concern basis. The Company's immediate parent, Sunworld Limited has indicated its continuing commitment and support for the further development of the specialist villa holiday business. Adequate bank facilities have been obtained and the Directors of Sunworld Limited intend to make sufficient amounts available to Sunworld (Beach Villas) Limited to enable it to meet its liabilities as they fall due and to continue as a going concern.

##### **Turnover**

Turnover is the total amount receivable by the Company from the sale of package holidays and other services supplied to customers in the ordinary course of business, net of agents commissions. Revenues and expenses relating to package holidays are taken to the profit and loss account on flight or holiday departure date basis.

##### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over their expected useful economic lives. The principal annual rates used for this purpose are:

Furniture and equipment - 10% per annum straight line basis  
Computer equipment - between 20% and 33% per annum straight line basis  
Motor vehicles - 20% per annum straight line basis

##### **Leases**

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

##### **Deferred taxation**

Deferred taxation is calculated on the liability method. It is provided to the extent that it is considered, with reasonable probability, that a liability or asset will crystallise within the foreseeable future.

##### **Pensions**

The Company participates in a defined contribution scheme operated on a group basis and covering the majority of its permanent employees. Pension costs of £1,642 are charged against profits, representing the amounts payable to the scheme in respect of the period. The Company provides no other post retirement benefits to its employees.

##### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rates ruling at the date of the transactions. All realised exchange differences are taken to the profit and loss account.

##### **Brochure and promotional costs**

Brochure and promotional costs are charged to the profit and loss account in the season to which they relate.

##### **Cashflow statement**

The Directors have taken advantage of the section 228 exemption not to produce a cashflow statement on the grounds that the UK ultimate parent company produces a consolidated group cashflow statement which includes Sunworld (Beach Villas) Limited and is drawn up in accordance with with FRS 1.

# SUNWORLD (BEACH VILLAS) LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FIFTEEN MONTHS ENDED 31ST DECEMBER 1997

### 2. Turnover and Company loss

The turnover of the Company for the period derives from the same class of business as noted in the Directors' report.

	For the 15 months ended 31st December 1997 £	For the 6 months ended 30th September 1996 £
<b>3. Operating profit/(loss) is stated after (crediting)/charging:</b>		
Auditors emoluments	3,991	8,146
Depreciation	7,929	39,884
(Profit)/loss on disposal of fixed assets	(130)	40,661
Operating lease charges		
Buildings	-	16,059
Motor vehicles	-	5,732
Equipment hire	<u>7,207</u>	<u>2,915</u>

### 4. Employees and Directors

	£	£
Staff costs including executive Directors during the year amounted to:		
Wages and salaries	136,799	237,669
Social security costs	9,965	17,172
Other pension costs	1,642	3,157
	<u>148,406</u>	<u>257,998</u>

The average monthly number of employees including executive Directors employed  
by the Company during the period was:

	No	No
Office and management	<u>11</u>	<u>27</u>

### Directors emoluments

Staff costs include the following emoluments in  
respect of Directors:

	£	£
Directors emoluments	<u>8,115</u>	<u>31,454</u>

Mr N Wright is paid by the parent company, Sunworld Limited, and Mr N Hards was paid by the UK ultimate holding company, The Thomas Cook Group Limited. Neither of these companies makes any recharge to the Company. They are Directors of other companies in the Sunworld Limited Group and it is not possible to make an accurate apportionment of their emoluments in respect of each of the companies. Accordingly, the details set out above do not include their emoluments. Their emoluments are disclosed in the financial information of the immediate parent company, Sunworld Limited.

### 6. Taxation

No tax charge arises due to the availability of losses from previous years.

	£	£
Group tax relief received relating to prior years	330,194	-
	<u>330,194</u>	<u>-</u>



**SUNWORLD (BEACH VILLAS) LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE FIFTEEN MONTHS ENDED 31ST DECEMBER 1997**

**7. Tangible fixed assets**

	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>			
As at 1st October 1996	9,530	16,833	26,363
Additions	-	-	-
Disposals	-	(1,183)	(1,183)
As at 31st December 1997	<u>9,530</u>	<u>15,650</u>	<u>25,180</u>
<b>Depreciation</b>			
As at 1st October 1996	3,586	4,789	8,375
Charge for the year	3,971	3,958	7,929
Disposals	-	(1,183)	(1,183)
As at 31st December 1997	<u>7,557</u>	<u>7,564</u>	<u>15,121</u>
<b>Net book value</b>			
As at 31st December 1997	<u>1,973</u>	<u>8,086</u>	<u>10,059</u>
As at 1st October 1996	<u>5,944</u>	<u>12,044</u>	<u>17,988</u>

**8. Debtors: Amounts falling due within one year**

	1997 £	1996 £
Trade debtors	127,379	238,952
Amounts owed by parent and fellow subsidiary undertakings	785,980	427,863
Other debtors	11,871	49,427
Prepayments and accrued income	<u>1,054,704</u>	<u>1,857,702</u>
	<u>1,979,934</u>	<u>2,573,944</u>

**9. Creditors: Amounts falling due within one year**

	£	£
Bank overdraft	5,037,955	-
Payments received on account	654,143	534,311
Trade creditors	-	41,314
Amounts owed to parent and fellow subsidiary undertakings	1,652,364	6,378,924
Accruals and deferred income	<u>956,199</u>	<u>2,377,494</u>
	<u>8,300,661</u>	<u>9,332,043</u>

**10. Share Capital**

	£	£
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**11. Reserves and reconciliation of movements in shareholders funds**

	Share capital £	Profit and loss account £	Total shareholders' funds £
Opening shareholders funds	2	(6,739,709)	(6,739,707)
Profit for the financial period	-	429,039	429,039
Closing shareholders funds	<u>2</u>	<u>(6,310,670)</u>	<u>(6,310,668)</u>

## **SUNWORLD (BEACH VILLAS) LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE FIFTEEN MONTHS ENDED 31ST DECEMBER 1997**

#### **12. Related party transactions**

The Directors have taken advantage of the exemption in FRS 8 not to disclose related party transactions and balances with other group companies or investees of the group qualifying as related parties on the grounds that the Company is a wholly owned subsidiary, and the results are included in the consolidated financial statements of the UK ultimate parent Company, copies of which are publicly available.

#### **13. Ultimate parent company**

The Company's UK parent, Sunworld Limited, is a wholly owned subsidiary of The Thomas Cook Group Limited and the ultimate parent undertaking is Westdeutsche Landesbank Girozentrale, which is incorporated in Germany. Group accounts which include the Company are prepared by The Thomas Cook Group Limited, a company which is registered in England and Wales.

Copies of the group financial statements of The Thomas Cook Group Limited are available from the Company Secretary, 45 Berkeley Street, Piccadilly, London, W1A 1EB.

Copies of the group financial statements of Westdeutsche Landesbank Girozentrale are available from Herzogstrasse 15, 40217 Dusseldorf, Germany.

#### **14. Post balance sheet events**

In order to rationalise the Group affairs the entire trade and assets of the Company have been transferred to Sunworld Limited commencing 1st January 1998.

#### **15. Approval of financial statements**

These financial statements were formally approved by the board of directors on .....<sup>16<sup>th</sup></sup> March 1998.