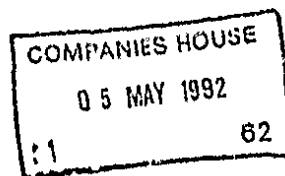


**HOTELPLAN LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**31 OCTOBER 1991**



**Company Number: 350786**

## **HOTELPLAN LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1991**

The directors submit their annual report and audited accounts for the year ended 31 October 1991.

#### **TRADING ACTIVITIES**

The company's principal activity is the provision of inclusive holidays and ancillary services.

#### **TRADING RESULTS AND FUTURE DEVELOPMENTS**

The trading results for the year ended 31 October 1991 are set out in the profit and loss account on page 5. The directors recommend the payment of a dividend of £240,000 (1990 - £240,000).

#### **DIRECTORS**

The following were directors of the company during the year ended 31 October 1991:

Dr M Bonorand	(Swiss)	(Chairman)
Mr M Mella	(Swiss)	(resigned 30 August 1991)
Dr R Spring	(Swiss)	(resigned 12 March 1991)
Mr W Guentensperger	(Swiss)	(appointed 12 March 1991)
Mr W Zuercher	(Swiss)	(appointed 30 August 1991)

#### **DIRECTORS' INTERESTS**

The directors who held office at 31 October 1991 had non-beneficial interests in the share capital of the company as follows:

	<u>As at 31 October 1991</u>	<u>As at 1 November 1990</u>
Dr M Bonorand	9	1

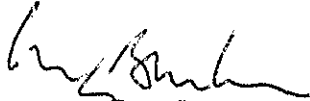
**HOTELPLAN LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1991 (CONTINUED)**

**AUDITORS**

The auditors, Price Waterhouse, have indicated their willingness to continue in office, and a resolution for their re-appointment will be submitted to the Annual General Meeting.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'MC Barker', written over a horizontal line.

MC Barker FCA  
Secretary

24 January 1992

*Price Waterhouse*



**AUDITORS' REPORT TO THE MEMBERS OF  
HOTELPLAN LIMITED**

We have audited the financial statements on pages 4 to 12 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 October 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

Chartered Accountants and  
Registered Auditor

24 January 1992

# 08-05-9

## HOTELPLAN LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 1991

	<u>Note</u>	<u>1991</u> £'000	<u>1990</u> £'000
<b>TURNOVER</b>	1(1)	46,414	48,359
Cost of sales		<u>(40,299)</u>	<u>(43,681)</u>
<b>GROSS PROFIT</b>		6,115	4,678
Administrative expenses		(4,925)	(4,228)
Interest receivable and similar income		1,879	1,474
Interest payable and similar charges		<u>(28)</u>	<u>(87)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2,3,4	3,041	1,837
Tax on profit on ordinary activities	5	<u>(1,032)</u>	<u>(613)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		2,009	1,224
<b>DIVIDEND PAYABLE</b>		<u>(240)</u>	<u>(240)</u>
<b>RETAINED PROFIT FOR THE YEAR</b>	9	<u>1,769</u>	<u>984</u>

The accompanying notes are an integral part of the financial statements.

## HOTELPLAN LIMITED

## BALANCE SHEET - 31 OCTOBER 1991

	Note	<u>1991</u>		<u>1990</u>	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>	6		250		311
<b>CURRENT ASSETS</b>					
Debtors and prepayments	7	1,235		1,008	
Cash on deposit with group companies		5,359		7,168	
Cash at bank and in hand		<u>10,838</u>		<u>4,269</u>	
		17,432		12,445	
<b>CREDITORS (amounts falling due within one year)</b>	8	(13,325)		(10,187)	
<b>NET CURRENT ASSETS</b>			<u>4,107</u>		<u>2,258</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,357		2,569
Deferred taxation	5		<u>108</u>		<u>127</u>
			4,465		2,696
<b>SHARE CAPITAL</b>					
Authorised, allotted and fully paid: 1,000,000 ordinary shares of £1 each	10		1,000		110
<b>PROFIT AND LOSS ACCOUNT</b>	9		<u>3,465</u>		<u>2,586</u>
			4,465		2,696
Dr M Bonorand					
Mr W Guentensperger					

DIRECTORS

The accompanying notes are an integral part of the financial statements.

# **HOTELPLAN LIMITED**

## **STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 OCTOBER 1991**

	<u>1991</u>		<u>1990</u>	
	£'000	£'000	£'000	£'000
<b>FUNDS DERIVED FROM OPERATIONS</b>				
Profit before taxation		3,041		1,837
Items not involving movement of funds:				
Depreciation	328		372	
(Profit)/loss from sale of fixed assets	<u>(13)</u>		<u>(2)</u>	
		315		370
<b>FUNDS FROM OTHER SOURCES</b>				
Proceeds from sale of fixed assets		22		16
<b>OTHER APPLICATIONS</b>				
Dividend paid	(240)		-	
Purchase of fixed assets	(279)		(113)	
Taxation paid	<u>(710)</u>		<u>(214)</u>	
		<u>(1,229)</u>		<u>(327)</u>
		2,149		1,896
<b>(INCREASE)/DECREASE IN WORKING CAPITAL</b>				
Creditors	2,878		(1,701)	
Debtors	<u>(173)</u>		<u>607</u>	
		<u>2,705</u>		<u>(1,094)</u>
<b>INCREASE IN LIQUID FUNDS</b>		<u>4,854</u>		<u>802</u>

The accompanying notes are an integral part of the financial statements.

# **HOTELPLAN LIMITED**

## **NOTES TO THE ACCOUNTS - 31 OCTOBER 1991**

### **1 ACCOUNTING POLICIES**

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

#### **(1) Turnover**

Turnover is the aggregate value of sales of inclusive tours, net of discounts.

#### **(2) Depreciation**

The cost of fixed assets is written off by equal annual instalments over their estimated useful lives which range from 2 - 5 years.

#### **(3) Foreign currencies**

Balances in foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date, gains and losses being dealt with in the profit and loss account. An amount equal to the difference between the original sterling cost and the year end sterling value, in cases where the latter is higher, is treated as a deferred gain.

#### **(4) Marketing expenditure**

Marketing expenditure for established brochure holiday programmes which have not commenced at the balance sheet date is carried forward. All other marketing expenditure is written off as incurred.

#### **(5) Pension costs**

The costs of providing pensions for employees are charged in the profit and loss account over the average working life of employees in accordance with the recommendations of qualified actuaries.

#### **(6) Deferred taxation**

Provision for deferred taxation is made only where there is a reasonable probability that a liability will crystallise. Deferred taxation net debit balances are carried forward to the extent that they are expected to be recoverable without replacement by equivalent debit balances.



## HOTELPLAN LIMITED

### NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

#### 2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after deducting:

	<u>1991</u>	<u>1990</u>
	£'000	£'000
Depreciation	328	372
Auditors' remuneration	18	18
Management fee payable to parent undertaking	234	243
Exceptional item - fuel surcharge provision	(88)	500
Interest payable to fellow group undertakings	15	36

#### 3 STAFF COSTS

The average number of employees of the company during the year was 74 (1990 - 77). The staff costs were as follows:

	<u>1991</u>	<u>1990</u>
	£'000	£'000
Salaries	1,506	1,362
Social security	154	107
Other pension costs	<u>157</u>	<u>87</u>
	1,817	1,556
	<u>      </u>	<u>      </u>

#### 4 DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Directors' fees were as follows:	<u>1991</u>	<u>1990</u>
Fees	Nil	Nil

The emoluments of the directors of the company, excluding pension contributions, are detailed as follows:

Chairman	Nil	Nil
Highest paid director	Nil	Nil

# 018-05-9

## HOTELPLAN LIMITED

### NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

#### 4 DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments of employees of the company, excluding pension contributions, whose emoluments exceeded £30,000 are detailed as follows:

	<u>Number of employees</u>	
	<u>1991</u>	<u>1990</u>
£35,001 - £40,000	-	2
£40,001 - £45,000	2	-
£65,001 - £70,000	-	1
£70,001 - £75,000	1	-
£90,001 - £95,000	-	1
£125,001 - £130,000	1	-

#### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1991</u>	<u>1990</u>
	<u>£'000</u>	<u>£'000</u>
Corporation tax - current year at 33.4% (1990 - 35.0%)	1,017	828
- prior year	(15)	(5)
Foreign taxation	11	6
Deferred taxation	<u>19</u>	<u>(216)</u>
	1,032	613
	<u>      </u>	<u>      </u>

The deferred taxation asset/(liability) comprises the following:

	<u>1991</u>	<u>1990</u>
	<u>£'000</u>	<u>£'000</u>
Deferred marketing costs	(165)	(190)
Capital allowances	139	111
Provisions	241	252
Other short-term timing differences	<u>(107)</u>	<u>(46)</u>
	108	127
	<u>      </u>	<u>      </u>

The net deferred taxation debit balance is being carried forward as an asset as it is expected to be recoverable without replacement by equivalent debit balances.

# HOTELPLAN LIMITED

## NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

### 6 FIXED ASSETS

Tangible assets	Total	Motor vehicles	Fixtures, fittings and equipment
	£'000	£'000	£'000
<u>Cost</u>			
At 31 October 1990	1,237	109	1,128
Additions	279	52	227
Disposals	<u>(92)</u>	<u>(34)</u>	<u>(58)</u>
At 31 October 1991	<u>1,424</u>	<u>127</u>	<u>1,297</u>
<u>Depreciation</u>			
At 31 October 1990	926	62	864
Charge for the year	328	36	292
Disposals	<u>(80)</u>	<u>(31)</u>	<u>(49)</u>
At 31 October 1991	<u>1,174</u>	<u>67</u>	<u>1,107</u>
<u>Net book value</u>			
At 31 October 1991	<u>250</u>	<u>60</u>	<u>190</u>
At 31 October 1990	<u>311</u>	<u>47</u>	<u>264</u>

### 7 DEBTORS AND PREPAYMENTS

	1991	1990
	£'000	£'000
Trade debtors	118	91
Amounts due from parent undertaking	238	213
Amounts due from fellow subsidiary undertakings	7	-
Other debtors	8	8
Prepayments and accrued income	730	616
Advanced corporation tax recoverable	<u>134</u>	<u>80</u>
	1,235	1,008

Of the advanced corporation tax, £80,000 is recoverable after one year.

# **HOTELPLAN LIMITED**

## **NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)**

### **8 CREDITORS (Amounts falling due within one year)**

	<u>1991</u> £'000	<u>1990</u> £'000
Bank loans and overdrafts	60	154
Advance payments in respect of holidays	6,209	4,073
Trade creditors	1,348	885
Amounts owed to parent undertakings	599	603
Amounts owed to fellow subsidiary undertakings	155	179
Taxation and social security	1,439	1,088
Accruals and deferred income	3,275	2,965
Dividend payable	<u>240</u>	<u>240</u>
	<u>13,325</u>	<u>10,187</u>

### **9 PROFIT AND LOSS ACCOUNT**

	<u>1991</u> £'000	<u>1990</u> £'000
At 1 November	2,586	1,602
Issue of shares	(890)	-
Retained profit for the year	<u>1,769</u>	<u>984</u>
At 31 October	<u>3,465</u>	<u>2,586</u>

### **10 SHARE CAPITAL**

During the year the company issued 890,000 ordinary shares of £1 each by way of capitalisation of £890,000 profit and loss reserves.

	<u>Number of shares</u>	<u>£'000</u>
Share capital at 1 November 1990	110,000	110
Issue of shares	<u>890,000</u>	<u>890</u>
Share capital at 31 December 1991	<u>1,000,000</u>	<u>1,000</u>

**HOTELPLAN LIMITED****NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)****11 PARENT UNDERTAKING**

Hotelplan (UK Group) Limited, a company incorporated in Great Britain is the parent undertaking of the Hotelplan (UK Group) Limited group, which is the smallest group which consolidates the results of Hotelplan Limited. Copies of the group accounts can be obtained from 10-18 Putney Hill, London SW15, Great Britain.

The parent undertaking of the largest consolidating group is the Federation of Migros Cooperatives, a cooperative incorporated in Switzerland which is also Hotelplan Limited's ultimate holding company. Group accounts can be obtained from 152, Limmatstrasse, CH8005, Zurich, Switzerland.

**12 APPROVAL OF ACCOUNTS**

These accounts were approved by the board of directors on 24 January 1992.

**13 PENSION COMMITMENTS**

Employees over 25 years of age are entitled to join the company's defined benefits pension scheme. This is a fully funded insured scheme with contributions paid by both the company and employees. The pension cost for the year was £156,755 (1990 - £86,634). The pension cost is assessed in accordance with the advice of a professionally qualified actuary using the Projected Unit Method. The increase in pension cost over last year reflects increased employers contributions to enable improved future benefits. The most recent formal actuarial valuation was undertaken as at 1 November 1989 and the actuary confirmed that contribution rates are adequate to fund the existing and future liabilities of the scheme. The assumptions which have the most significant effect on the valuation are those relating to the rate of return on investments and the rate of increase in salaries, which were assumed to be 9% and 9% per annum respectively. The funding level as at 1 November 1989 was 151% and the market value of the scheme's assets was £1.69 million.