

REGISTERED NUMBER 1474705 (England and Wales)

Abbreviated Accounts for the year ended 31 August 2007

for

Journey Latin America Limited

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Journey Latin America Limited

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for the year ended 31 August 2007**

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Journey Latin America Limited
Company Information
for the year ended 31 August 2007

DIRECTORS:

J B Williams
C A Parrott
R A Sanmugam
A O Hume
S Bradley

SECRETARY:

C A Parrott

REGISTERED OFFICE:

12-13 Heathfield Terrace
Chiswick
London
W4 4JE

REGISTERED NUMBER:

1474705 (England and Wales)

AUDITORS.

Flinthams
Chartered Accountants
& Registered Auditors
277-279 Chiswick High Road
Chiswick
London
W4 4PU

Journey Latin America Limited

Report of the Directors for the year ended 31 August 2007

The directors present their report with the accounts of the company for the year ended 31 August 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of travel and tour operators

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts

The company achieved an increase in turnover of 4.5% during the year, predominantly through the growth in tailor-made and group tours and despite a strategic reduction in 'flight only' sales. More significantly, the company achieved an increase in gross profit of 33% over the previous year. This was largely due to the changing business mix brought about by the continued re-focus of the company's main business activities away from the 'flight only' market and towards more profitable inclusive tours. The recent re-branding project was instrumental in driving sales and enabling the company to adopt a more robust pricing policy, whilst the continued investment in technology allowed for greater control of margins. Overheads for the year rose by 10% but remained in line with budget. Taking all these factors into account, the directors are very satisfied with the outcome for the year.

FUTURE DEVELOPMENTS

Despite evidence of some slowing of the economy generally, it is the view of the directors that the appetite for travel to Latin America remains strong and that there is good scope for the further development of tailor-made and group tours. The 'flight only' part of the business is predicted to continue to decline in line with company strategy. Taking these factors together, the directors foresee a modest overall growth in gross revenue for the forthcoming financial year. However, gross margins are anticipated to remain strong due to the ongoing shift in the company's business mix. Furthermore, overheads are anticipated to fall slightly as investment in technology levels off and further staff savings become possible owing to increased efficiencies. The directors therefore look forward to the new financial year with cautious optimism.

DIVIDENDS

No dividends have been distributed for the year ended 31 August 2007

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2006 to the date of this report

J B Williams
C A Parrott
R A Sanmugam
A O Hume
S Bradley

Journey Latin America Limited
Report of the Directors
for the year ended 31 August 2007

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors and loans to the company. The main purpose of these instruments is to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

With regard to bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The company makes use of money market facilities where funds are available.

In respect of loans these comprise loans from financial institutions. The interest rate on the loans from financial institutions is variable but the monthly repayments are fixed. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

MARKET VALUE OF LAND AND BUILDINGS

On 1 November 2006, the freehold land and buildings were valued at an open market value of £2,100,000 by M J Finn an independent firm of Chartered Surveyors.

SHARE OPTION SCHEME

Under an Enterprise Management Incentive (EMI) Share Option Scheme, dated 26 January 2001, the company granted share options to selected employees.

During the year, two directors, A O Hume and R A Sanmugam, each exercised their options on 3478 shares at a price of £1 per share.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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,
- 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 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.

Journey Latin America Limited

**Report of the Directors
for the year ended 31 August 2007**

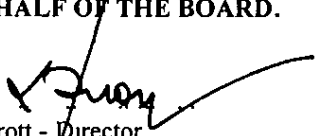
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information


AUDITORS

The auditors, Flinthams, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD.


C A Parrott - Director

Date


16 January '08

**Report of the Independent Auditors to
Journey Latin America Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages six to eighteen, together with the financial statements of Journey Latin America Limited for the year ended 31 August 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



Flinthams
Chartered Accountants
& Registered Auditors
277-279 Chiswick High Road
Chiswick
London
W4 4PU

Date 16 January 2008

Journey Latin America Limited

**Abbreviated Profit and Loss Account
for the year ended 31 August 2007**

	Notes	2007 £	2006 £
GROSS PROFIT		5,817,543	4,353,920
Administrative expenses		<u>5,411,812</u>	<u>4,589,876</u>
OPERATING PROFIT/(LOSS)	3	405,731	(235,956)
Interest receivable and similar income		<u>175,941</u>	<u>131,362</u>
		581,672	(104,594)
Interest payable and similar charges	4	<u>10,543</u>	<u>16,476</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		571,129	(121,070)
Tax on profit/(loss) on ordinary activities	5	<u>105,545</u>	<u>(12,914)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		<u>465,584</u>	<u>(108,156)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

The notes form part of these abbreviated accounts

Journey Latin America Limited

**Abbreviated Balance Sheet
31 August 2007**

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	6	1,371,359	1,544,373
CURRENT ASSETS			
Debtors	7	659,477	573,982
Cash at bank and in hand		4,461,963	3,710,950
		<u>5,121,440</u>	<u>4,284,932</u>
CREDITORS			
Amounts falling due within one year	8	4,294,300	4,023,704
NET CURRENT ASSETS		<u>827,140</u>	<u>261,228</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,198,499</u>	<u>1,805,601</u>
CREDITORS			
Amounts falling due after more than one year	9	19,910	99,552
NET ASSETS		<u><u>2,178,589</u></u>	<u><u>1,706,049</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	166,956	160,000
Profit and loss account	14	2,011,633	1,546,049
SHAREHOLDERS' FUNDS	18	<u><u>2,178,589</u></u>	<u><u>1,706,049</u></u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The financial statements were approved by the Board of Directors on **16 JAN. 2008** and were signed on its behalf by

S Bradley - Director

S Bradley
16/1/08

The notes form part of these abbreviated accounts

Journey Latin America Limited

**Cash Flow Statement
for the year ended 31 August 2007**

	Notes	2007 £	2006 £
Net cash inflow from operating activities	1	898,935	316,900
Returns on investments and servicing of finance	2	165,398	114,886
Taxation		7,749	(7,749)
Capital expenditure	2	(248,383)	(335,757)
		<u>823,699</u>	<u>88,280</u>
Financing	2	(72,686)	(79,643)
Increase in cash in the period		<u>751,013</u>	<u>8,637</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		751,013	8,637
Cash outflow from decrease in debt		<u>79,642</u>	<u>79,643</u>
Change in net funds resulting from cash flows		<u>830,655</u>	<u>88,280</u>
Movement in net funds in the period		830,655	88,280
Net funds at 1 September		<u>3,531,756</u>	<u>3,443,476</u>
Net funds at 31 August		<u>4,362,411</u>	<u>3,531,756</u>

The notes form part of these abbreviated accounts

Journey Latin America Limited

**Notes to the Cash Flow Statement
for the year ended 31 August 2007**

1 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007	2006
	£	£
Operating profit/(loss)	405,731	(235,956)
Depreciation charges	421,919	355,313
(Profit)/Loss on disposal of fixed assets	(522)	682
(Increase)/Decrease in debtors	(2,363)	1,604
Increase in creditors	74,170	195,257
Net cash inflow from operating activities	<u>898,935</u>	<u>316,900</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest received	175,941	131,362
Interest paid	(10,543)	(16,476)
Net cash inflow for returns on investments and servicing of finance	<u>165,398</u>	<u>114,886</u>
Capital expenditure		
Purchase of tangible fixed assets	(250,144)	(349,171)
Sale of tangible fixed assets	1,761	13,414
Net cash outflow for capital expenditure	<u>(248,383)</u>	<u>(335,757)</u>
Financing		
Loan repayments in year	(79,642)	(79,643)
Share issue	6,956	-
Net cash outflow from financing	<u>(72,686)</u>	<u>(79,643)</u>

The notes form part of these abbreviated accounts

Journey Latin America Limited

**Notes to the Cash Flow Statement
for the year ended 31 August 2007**

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9 06 £	Cash flow £	At 31 8 07 £
Net cash			
Cash at bank and in hand	3,710,950	751,013	4,461,963
	<u>3,710,950</u>	<u>751,013</u>	<u>4,461,963</u>
Debt			
Debts falling due within one year	(79,642)	-	(79,642)
Debts falling due after one year	(99,552)	79,642	(19,910)
	<u>(179,194)</u>	<u>79,642</u>	<u>(99,552)</u>
Total	<u>3,531,756</u>	<u>830,655</u>	<u>4,362,411</u>

The notes form part of these abbreviated accounts

Journey Latin America Limited

Notes to the Abbreviated Accounts for the year ended 31 August 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention

Turnover

Turnover represents the sales value on date of departure of air tickets, travel insurance, hotel bookings and related services, including non refundable deposits, and excluding value added tax

Tangible fixed assets

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Freehold buildings	Over 50 years
Short leasehold	Over the term of the lease
Computer equipment	33% straight line
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax is not recognised when assets are revalued unless, by the balance sheet date, the company has entered into a binding agreement to sell the assets and recognised the gains and losses expected to arise on sale or where assets have been sold and it is expected that the taxable gain will be rolled over into a replacement asset

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account

Foreign Currency translation

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

Refundable customer deposits

Refundable customer deposits received at the balance sheet date relating to holidays commencing and flights departing after the year end are included in creditors

Marketing expenditure

Marketing expenditure and brochure costs are written off as incurred

2 STAFF COSTS

	2007	2006
	£	£
Wages and salaries	3,054,411	2,593,866
Social security costs	330,607	266,849
Other pension costs	95,748	100,715
	<u>3,480,766</u>	<u>2,961,430</u>

Journey Latin America Limited

**Notes to the Abbreviated Accounts - continued
for the year ended 31 August 2007**

2 STAFF COSTS - continued

The average monthly number of employees during the year was as follows

	2007	2006
Office and management	<u>79</u>	<u>86</u>

3 OPERATING PROFIT/(LOSS)

The operating profit (2006 - operating loss) is stated after charging/(crediting)

	2007	2006
	£	£
Other operating leases	119,246	108,249
Depreciation - owned assets	421,919	355,313
(Profit)/Loss on disposal of fixed assets	(522)	682
Auditors' remuneration	34,000	41,950
Foreign exchange differences	<u>8,934</u>	<u>(47,317)</u>
 Directors' emoluments	 613,522	 304,018
Directors' pension contributions to money purchase schemes	<u>39,547</u>	<u>39,160</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>4</u>	<u>3</u>
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Information regarding the highest paid director is as follows

	2007	2006
	£	£
Emoluments etc	149,744	76,400
Pension contributions to money purchase schemes	<u>3,737</u>	<u>3,350</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Bank loan interest	10,726	16,503
Interest on overdue tax	<u>(183)</u>	<u>(27)</u>
	<u>10,543</u>	<u>16,476</u>

Journey Latin America Limited

**Notes to the Abbreviated Accounts - continued
for the year ended 31 August 2007**

5 TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows

	2007 £	2006 £
Current tax		
UK corporation tax	188,677	(7,749)
Corporation tax adjustment re previous years	7,749	(5,165)
Total current tax	196,426	(12,914)
Deferred tax	(90,881)	-
Tax on profit/(loss) on ordinary activities	<u>105,545</u>	<u>(12,914)</u>

Factors affecting the tax charge/(credit)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2007 £	2006 £
Profit/(loss) on ordinary activities before tax	<u>571,129</u>	<u>(121,070)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27% (2006 - 19%)	154,205	(23,003)
Effects of		
Non deductible expenses	1,099	634
Depreciation	113,918	67,509
Capital allowances	(68,225)	(53,706)
Other tax adjustments	7,417	688
Loss on disposal of asset	-	129
Adjustments relating to prior years	(11,988)	(5,165)
Current tax charge/(credit)	<u>196,426</u>	<u>(12,914)</u>

The company has capital losses of £153,352 available to be set off against the eventual sale of its assets

Journey Latin America Limited

**Notes to the Abbreviated Accounts - continued
for the year ended 31 August 2007**

6 TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Fixtures and fittings £
COST			
At 1 September 2006	1,191,681	40,727	542,369
Additions	-	-	1,414
At 31 August 2007	<u>1,191,681</u>	<u>40,727</u>	<u>543,783</u>
DEPRECIATION			
At 1 September 2006	126,672	19,807	436,491
Charge for year	15,834	3,769	26,823
At 31 August 2007	<u>142,506</u>	<u>23,576</u>	<u>463,314</u>
NET BOOK VALUE			
At 31 August 2007	<u>1,049,175</u>	<u>17,151</u>	<u>80,469</u>
At 31 August 2006	<u>1,065,009</u>	<u>20,920</u>	<u>105,878</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2006	11,019	877,764	2,663,560
Additions	-	248,730	250,144
Disposals	(776)	(985)	(1,761)
At 31 August 2007	<u>10,243</u>	<u>1,125,509</u>	<u>2,911,943</u>
DEPRECIATION			
At 1 September 2006	2,755	533,462	1,119,187
Charge for year	2,203	373,290	421,919
Eliminated on disposal	(194)	(328)	(522)
At 31 August 2007	<u>4,764</u>	<u>906,424</u>	<u>1,540,584</u>
NET BOOK VALUE			
At 31 August 2007	<u>5,479</u>	<u>219,085</u>	<u>1,371,359</u>
At 31 August 2006	<u>8,264</u>	<u>344,302</u>	<u>1,544,373</u>

On 1 November 2006, the freehold property was valued at open market value of £2,100,000 by M J Finn an independent firm of Chartered Surveyors

Journey Latin America Limited

**Notes to the Abbreviated Accounts - continued
for the year ended 31 August 2007**

7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade debtors	127,285	148,307
Other debtors	48,753	36,485
Corporation tax	-	7,749
Deferred tax asset		
Accelerated capital allowances	90,881	-
Prepayments	392,558	381,441
	<u>659,477</u>	<u>573,982</u>

8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Bank loans and overdrafts (see note 10)	79,642	79,642
Trade creditors	3,423,142	3,602,780
Corporation tax	196,426	-
Social security and other taxes	162,911	121,835
Other creditors	-	28,276
Directors' current accounts	295,000	-
Accruals	137,179	191,171
	<u>4,294,300</u>	<u>4,023,704</u>

Trade creditors include the net amount of customer deposits for travel after the year end of £5,208,670 (2006 £5,111,994) less associated costs of £2,295,137 (2006 £2,200,619)

9 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007	2006
	£	£
Bank loans (see note 10)	<u>19,910</u>	<u>99,552</u>

10 LOANS

An analysis of the maturity of loans is given below

	2007	2006
	£	£
Amounts falling due within one year or on demand		
Bank loans	<u>79,642</u>	<u>79,642</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>19,910</u>	<u>79,642</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>-</u>	<u>19,910</u>

Journey Latin America Limited

**Notes to the Abbreviated Accounts - continued
for the year ended 31 August 2007**

11 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2007 £	2006 £	2007 £	2006 £
Expiring				
Within one year	-	-	-	780
Between one and five years	17,000	17,000	372	-
In more than five years	106,130	106,130	-	-
	<u>123,130</u>	<u>123,130</u>	<u>372</u>	<u>780</u>

12 SECURED DEBTS

The following secured debts are included within creditors

	2007 £	2006 £
Bank loans	<u>99,552</u>	<u>179,194</u>

The bank loan is secured by a fixed charge over the Freehold property

The bank loan is repayable in 4 consecutive instalments by 18 November 2008 The interest payable is at the rate of 7.3% per annum

13 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2007 £	2006 £
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>
Allotted, issued and fully paid Number	Class	Nominal value	2007 £	2006 £
160,000	Ordinary	£1	<u>166,956</u>	<u>160,000</u>

Under the company's Enterprise Management Incentive (EMI) Share Option Scheme the company issued 6956 ordinary shares of £1 each (see note 20)

Journey Latin America Limited

Notes to the Abbreviated Accounts - continued for the year ended 31 August 2007

14 RESERVES

	Profit and loss account £
At 1 September 2006	1,546,049
Profit for the year	465,584
At 31 August 2007	<u>2,011,633</u>

15 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £95,748 (2006: £100,715).

16 CAPITAL COMMITMENTS

	2007 £	2006 £
Contracted but not provided for in the financial statements	-	<u>120,000</u>

17 OTHER FINANCIAL COMMITMENTS

At 31 August 2007 the company had financial commitments in respect of forward exchange contracts of £6,100,000 (2006: £5,000,000).

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit/(Loss) for the financial year	465,584	(108,156)
Issue of shares	6,956	-
Net addition/(reduction) to shareholders' funds	<u>472,540</u>	<u>(108,156)</u>
Opening shareholders' funds	1,706,049	1,814,205
Closing shareholders' funds	<u>2,178,589</u>	<u>1,706,049</u>

19 SHARE OPTION SCHEME

Under an Enterprise Management Incentive (EMI) Share Option Scheme, dated 26 January 2001, the company granted share options to selected employees.

During the year, the remaining share options were granted exercised at a price of £1 per share. The market value of these shares at the date of grant was £1.65 each.

The discount value of the share options, of £4,521, has been treated in accordance with Financial Reporting Standard (FRS) 20. This gives rise to a prior year adjustment in this year's financial statements. This prior year adjustment has not been reflected in these financial statements because its effects on the company's reserves in this and previous years are neutral.

Journey Latin America Limited

**Notes to the Abbreviated Accounts - continued
for the year ended 31 August 2007**

20 ULTIMATE CONTROLLING PARTIES

The ultimate controlling parties are J B Williams and C A Parrott