

Malta Bargains Limited
Directors' Report and Financial Statements
for the year ended 30 April 2001



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Malta Bargains Limited

Company Information

Directors

Albert Borg
Carmen Borg

Appointed on 31st August 2000

Secretary

Albert Borg

Company Number

2110413

Registered Office

A P House
1343 London Road
Norbury
London SW16 4BE

Auditors

Surendra Shah & Co.
142 Stanford Road
Norbury
London
SW16 4QB

Business Address

Zone B - North Terminal
Gatwick Airport
West Sussex
RH6 0LL

Bankers

Natwest Bank plc
161 Bow Road
London
E3 2SG

Bank of Valletta plc
St Paul's Bay Branch and
Msida Branch
Malta

Malta Bargains Limited

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Malta Bargains Limited
Directors' Report
for the year ended 30 April 2001

The Directors present their report and the financial statements for the year ended 30 April 2001.

Principal Activity and Review of the Business

The principal activity of the company during the year continued to be that of tour operators.

Results And Dividends

The results for the year are set out on page 3.

The directors do not recommend payment of dividend.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

		<u>Ordinary shares</u>	
		<u>2001</u>	<u>2000</u>
Albert Borg		99,998	99,998
Joseph Gauci	Resigned on 31st August 2000	-	2
Carmen Borg	Appointed on 31st August 2000	2	-

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:


- select suitable accounting policies and 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 him to ensure that the financial statements comply with the Companies Act 1985. He 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Surendra Shah & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 26th June 2001 and signed on its behalf by


Albert Borg
Director

Malta Bargains Limited

Auditors' Report to the Shareholders of Malta Bargains Limited

We have audited the financial statements on pages 3 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of 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 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.



Surendra Shah & Co.

**Chartered Certified Accountants and
Registered Auditors**

**142 Stanford Road
Norbury
London
SW16 4QB**

26 June 2001

Malta Bargains Limited

Profit and Loss Account **for the year ended 30 April 2001**


		<u>2001</u>	<u>2000</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
<u>Turnover</u>	2	7,073,636	4,994,262
Cost of sales		(6,644,841)	(4,660,839)
<u>Gross profit</u>		428,795	333,423
Administrative expenses		(392,341)	(287,917)
<u>Operating profit</u>	3	36,454	45,506
Interest receivable and similar income	4	24,252	20,917
<u>Profit on ordinary activities before taxation</u>		60,706	66,423
Tax on profit on ordinary activities	6	(15,697)	(14,000)
<u>Retained profit for the year</u>		45,009	52,423
Retained profit brought forward		229,569	177,146
<u>Retained profit carried forward</u>		<u>274,578</u>	<u>229,569</u>

The notes on pages 6 to 11 form an integral part of these financial statements.

Malta Bargains Limited

Balance Sheet as at 30 April 2001

		<u>2001</u>		<u>2000</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Fixed Assets</u>				
Tangible assets	7	104,240		136,262
<u>Current Assets</u>				
Debtors	8	324,863	304,211	
Cash at bank and in hand		1,012,634	399,302	
		1,337,497	703,513	
<u>Creditors: amounts falling due within one year</u>	9	(937,711)	(380,758)	
<u>Net Current Assets</u>		399,786		322,755
<u>Total Assets Less Current Liabilities</u>		504,026		459,017
<u>Creditors: amounts falling due after more than one year</u>	10	(129,448)		(129,448)
<u>Net Assets</u>		374,578		329,569
<u>Capital and Reserves</u>				
Called up share capital	11	100,000		100,000
Profit and loss account		274,578		229,569
<u>Shareholders' Funds</u>		374,578		329,569



Mr A Borg
Director



Mrs C Borg
Director

The notes on pages 6 to 11 form an integral part of these financial statements.

Malta Bargains Limited

Cash Flow Statement for the year ended 30 April 2001

	<u>Notes</u>	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
<u>Reconciliation of operating profit to net cash inflow from operating activities</u>			
Operating profit		36,454	45,506
Depreciation		32,022	12,384
(Increase) in debtors		(20,652)	(23,448)
Increase in creditors		534,827	122,197
<u>Net cash inflow from operating activities</u>		<u>582,651</u>	<u>156,639</u>

CASH FLOW STATEMENT

Net cash inflow from operating activities		582,651	156,639
Returns on investments and servicing of finance	16	24,252	20,917
Taxation	16	(13,284)	(6,390)
Capital expenditure	16	-	(13,798)
		<u>593,619</u>	<u>157,368</u>
Financing	16	50,576	-
<u>Increase in cash in the year</u>		<u>644,195</u>	<u>157,368</u>

Reconciliation of net cash flow to movement in net funds (Note 17)

<u>Increase in cash in the year</u>	644,195	157,368
Cash inflow from decrease in debts and lease financing	(50,576)	-
Change in net funds resulting from cash flows	593,619	157,368
<u>Net funds at 1 May 2000</u>	238,990	81,623
<u>Net funds at 30 April 2001</u>	<u>832,609</u>	<u>238,991</u>

Malta Bargains Limited

Notes to the Financial Statements
for the year ended 30 April 2001

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight Line over Fifty years
Fixtures, fittings and equipment	-	15% on reducing balance

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

	2001	2000
	£	£
Class of business		
Sales	7,069,542	5,005,707
Less : Agents commission	-	(21,283)
	<u>7,069,542</u>	<u>4,984,424</u>

3. Operating profit

	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	7,022	12,384
Loss on disposal of tangible fixed assets	25,000	-
Auditors' remuneration	<u>3,500</u>	<u>3,000</u>

4. Interest receivable and similar income

	2001	2000
	£	£
Bank interest	<u>24,252</u>	<u>20,917</u>

Malta Bargains Limited

Notes to the Financial Statements
for the year ended 30 April 2001

..... continued

5. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

2001	2000
3	13

Employment costs

Wages and salaries
Social security costs

2001 £	2000 £
27,633	67,850
1,060	4,511
<u>28,693</u>	<u>72,361</u>

5.1. Directors' emoluments

Remuneration and other emoluments

2001 £	2000 £
<u>15,215</u>	<u>11,480</u>

6. Taxation

UK current year taxation

UK Corporation Tax at 20% (2000 - 20%)

2001 £	2000 £
16,637	14,000

Prior years

UK Corporation Tax

(940)	-
<u>15,697</u>	<u>14,000</u>

Malta Bargains Limited

Notes to the Financial Statements
for the year ended 30 April 2001

..... continued

7. Tangible fixed assets

	<u>Land and buildings freehold</u>	<u>Fixtures, fittings equipment</u>	<u>Total</u>
	£	£	£
Cost or valuation			
At 1 May 2000	81,930	142,540	224,470
Disposals	-	(100,000)	(100,000)
At 30 April 2001	<u>81,930</u>	<u>42,540</u>	<u>124,470</u>
<u>Depreciation</u>			
On disposals	-	(75,000)	(75,000)
Charge for the year	1,639	5,383	7,022
At 30 April 2001	<u>8,195</u>	<u>12,035</u>	<u>20,230</u>
<u>Net book values</u>			
At 30 April 2001	<u>73,735</u>	<u>30,505</u>	<u>104,240</u>
At 30 April 2000	<u>75,374</u>	<u>60,888</u>	<u>136,262</u>

8. Debtors

	<u>2001</u>	<u>2000</u>
	£	£
Amounts owed by group undertakings	-	94,155
Other debtors and Deposit	2,081	102,598
Prepayments and accrued income	322,782	107,458
	<u>324,863</u>	<u>304,211</u>

Malta Bargains Limited

Notes to the Financial Statements
for the year ended 30 April 2001

..... continued

9.	<u>Creditors: amounts falling due within one year</u>	2001	2000
		£	£
	Bank overdraft	-	30,864
	Palm Court Hotel	50,576	-
	Payments received on account	550,402	122,616
	Trade creditors	308,365	184,180
	Corporation tax	16,627	14,213
	Other taxes and social security costs	-	567
	Directors' accounts	-	220
	Accruals and deferred income	11,741	28,098
		<u>937,711</u>	<u>380,758</u>
10.	<u>Creditors: amounts falling due after more than one year</u>	2001	2000
		£	£
	Sub-ordinated Loans - C.A.A. permission needed before repayment.	<u>129,448</u>	<u>129,448</u>
11.	<u>Share capital</u>	2001	2000
		£	£
	<u>Authorised</u>		
	100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	<u>Allotted, called up and fully paid</u>		
	100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
12.	<u>Contingent liabilities</u>		

Before the year end the company had entered into contracts for purchase of airline seats & accomodation for the summer of 2001 season. The toal price of the contracts was £2,621,320 (2000 -£1,450,000) and had paid £301,858 (2000 -£ 100,095) by 30th April 2001.

Malta Bargains Limited

Notes to the Financial Statements
for the year ended 30 April 2001

..... continued

13. Transactions with directors

The company is licenced by the Civil Aviation Authority under licence ATOL 2077 and is a member of the A B T A under licence number V1680. As at 30th April 2000 the company had a Bond of £855,000(2000 - £810,000) provided by Natwest Bank Plc which is guaranteed by the third parties and does not encumber company assets.

14. Related party transactions

The company carries out trading transactions in the normal course of business with a related company.

15. Ultimate parent undertaking

The Ultimate controlling party of this company is Mr Albert Borg.

16. Gross Cash Flows

	2001 £	2000 £
<u>Returns on investments and servicing of finance</u>		
Interest received	24,252	20,917
<u>Taxation</u>		
Corporation tax paid	(13,284)	(6,390)
<u>Capital expenditure</u>		
Payments to acquire tangible assets	-	(13,798)
<u>Financing</u>		
Other new short term loans	50,576	-

Malta Bargains Limited

Notes to the Financial Statements
for the year ended 30 April 2001

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17. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	399,302	613,332	1,012,634
Overdrafts	(30,864)	30,864	-
	<u>368,438</u>	<u>644,196</u>	<u>1,012,634</u>
Debt due within one year	-	(50,576)	(50,576)
Debt due after one year	(129,448)	-	(129,448)
	<u>(129,448)</u>	<u>(50,576)</u>	<u>(180,024)</u>
<u>Net funds</u>	<u>238,990</u>	<u>593,620</u>	<u>832,610</u>