

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2008
FOR
Chambers Travel Management Ltd**

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Chambers Travel Management Ltd

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for the Year Ended 31st March 2008**

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Chambers Travel Management Ltd

COMPANY INFORMATION
for the Year Ended 31st March 2008

DIRECTORS

C A Thelen
Mrs A Kodikara

SECRETARY

J C Hunt

REGISTERED OFFICE:

Broken Wharf House
2 Broken Wharf
London
EC4V 3DT

REGISTERED NUMBER

2229894

AUDITORS

Patrick Lunney Associates
Registered Auditors
Chartered Certified Accountants
9 Thames Street
Charlbury
Oxford
OX7 3QL

Chambers Travel Management Ltd

**REPORT OF THE DIRECTORS
for the Year Ended 31st March 2008**

The directors present their report with the financial statements of the company for the year ended 31st March 2008

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of business travel management

REVIEW OF BUSINESS

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

The Company performance for the year ended 31st March 2008 was good. Gross sales grew by 24% to over £64 million. Income from transaction and management fees and commission grew 22% to £5,579,142. Profit for the financial year after taxation was £321,237.

The Company continues to be successful in winning new clients. £18.5 million of new business sales was closed during the second half of the year. This will provide growth in the year ahead.

At the same time the cost of processing a booking was reduced from £6 to £5.35 per transaction. The percentage of bookings made on-line increased to 54% of the total, a 7.6% increase over the year.

The Company won several industry awards during the year including 'Best Sales and Account Management' TTG Business Awards and 'Best TMC Gold Awards' in the Buying Business Diamond travel awards.

A full technology review was conducted and significant investment made in new back office system and network infrastructure software. The resulting improvements in productivity and customer service will have a significant impact on performance in the coming year.

The senior management was strengthened with the appointment of Andrew Perolls as Chief Operating Officer in January 2008. Powers reserved to the board have been defined and adopted, improved financial reporting has been put in place and a strategic review has been initiated.

The position of the Company at year end is good, the balance sheet is strong and there are prospects for growth.

The principal risks to the business are the uncertainty created by the massive rise in the cost of oil and the reduction in business travel budgets during times of economic downturn.

DIVIDENDS

The total distribution of dividends for the year ended 31st March 2008 will be £400,000.

DIRECTORS

C A Thelen has held office during the whole of the period from 1st April 2007 to the date of this report.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable contributions of £1,730 (2007: £50) for the relief of financial hardship, old age, sickness and disability.

Chambers Travel Management Ltd

**REPORT OF THE DIRECTORS
for the Year Ended 31st March 2008**

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.

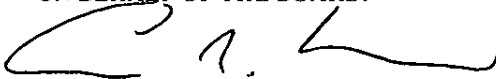
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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, Patrick Lunney Associates, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



C A Thelen - Director

Date 26/9/08

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF CHAMBERS TRAVEL MANAGEMENT LTD

We have audited the financial statements of Chambers Travel Management Ltd for the year ended 31st March 2008 on pages six to eighteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
CHAMBERS TRAVEL MANAGEMENT LTD**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



Patrick Lunney Associates
Registered Auditors
Chartered Certified Accountants
9 Thames Street
Charlbury
Oxford
OX7 3QL

30th September 2008

Chambers Travel Management Ltd

**PROFIT AND LOSS ACCOUNT
for the Year Ended 31st March 2008**

| | Notes | 2008 £ | 2007 £ |
|--|-------|-----------|-----------|
| TURNOVER | | 5,579,142 | 4,566,516 |
| Administrative expenses | | 5,207,636 | 4,059,641 |
| | | 371,506 | 506,875 |
| Other operating income | | 46,760 | - |
| OPERATING PROFIT | 3 | 418,266 | 506,875 |
| Interest receivable and similar income | | 18,866 | 18,125 |
| | | 437,132 | 525,000 |
| Interest payable and similar charges | 4 | 5,365 | 8,339 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 431,767 | 516,661 |
| Tax on profit on ordinary activities | 5 | 110,530 | 138,440 |
| PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION | | 321,237 | 378,221 |

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 profits for the current year or previous year

The notes form part of these financial statements

Chambers Travel Management Ltd

BALANCE SHEET
31st March 2008

| | Notes | 2008 £ | 2007 £ |
|--|-------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Intangible assets | 7 | - | - |
| Tangible assets | 8 | 244,224 | 140,317 |
| Investments | 9 | 100 | 100 |
| | | <u>244,324</u> | <u>140,417</u> |
| CURRENT ASSETS | | | |
| Debtors | 10 | 2,631,756 | 2,341,814 |
| Cash in hand | | 480,634 | 155,049 |
| | | <u>3,112,390</u> | <u>2,496,863</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 11 | <u>2,510,333</u> | <u>1,721,036</u> |
| NET CURRENT ASSETS | | <u>602,057</u> | <u>775,827</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>846,381</u> | <u>916,244</u> |
| PROVISIONS FOR LIABILITIES | 13 | <u>16,800</u> | <u>7,900</u> |
| NET ASSETS | | <u><u>829,581</u></u> | <u><u>908,344</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 14 | 67,733 | 67,733 |
| Share premium | 15 | 22,266 | 32,266 |
| Capital redemption reserve | 15 | 29,000 | 29,000 |
| Profit and loss account | 15 | 700,582 | 779,345 |
| SHAREHOLDERS' FUNDS | 20 | <u><u>829,581</u></u> | <u><u>908,344</u></u> |

The financial statements were approved by the Board of Directors on 26th September 2008 and were signed on its behalf by



C A Thelen - Director

The notes form part of these financial statements

Chambers Travel Management Ltd

**CASH FLOW STATEMENT
for the Year Ended 31st March 2008**

| | Notes | 2008 £ | 2007 £ |
|---|----------|-----------------------|-------------------------|
| Net cash inflow from operating activities | 1 | 1,098,517 | 37,346 |
| Returns on investments and servicing of finance | 2 | 13,501 | 9,786 |
| Taxation | | (257,618) | 203,773 |
| Capital expenditure | 2 | (164,694) | (86,376) |
| Equity dividends paid | | (400,000) | (380,000) |
| Increase/(Decrease) in cash in the period | | <u>289,706</u> | <u>(215,471)</u> |
| <hr/> | | | |
| Reconciliation of net cash flow to movement in net funds | 3 | | |
| Increase/(Decrease) in cash in the period | | <u>289,706</u> | <u>(215,471)</u> |
| Change in net funds resulting from cash flows | | <u>289,706</u> | <u>(215,471)</u> |
| Movement in net funds in the period | | <u>289,706</u> | <u>(215,471)</u> |
| Net funds at 1st April | | <u>127,287</u> | <u>342,758</u> |
| Net funds at 31st March | | <u>416,993</u> | <u>127,287</u> |

The notes form part of these financial statements

Chambers Travel Management Ltd

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31st March 2008**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2008 | 2007 |
|--|------------------|---------------|
| | £ | £ |
| Operating profit | 418,266 | 506,875 |
| Depreciation charges | 60,787 | 49,564 |
| Increase in debtors | (166,526) | (80,775) |
| Increase/(Decrease) in creditors | 785,990 | (438,318) |
| Net cash inflow from operating activities | <u>1,098,517</u> | <u>37,346</u> |

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

| | 2008 | 2007 |
|--|------------------|-----------------|
| | £ | £ |
| Returns on investments and servicing of finance | | |
| Interest received | 18,866 | 18,125 |
| Interest paid | (5,365) | (8,339) |
| Net cash inflow for returns on investments and servicing of finance | <u>13,501</u> | <u>9,786</u> |
| Capital expenditure | | |
| Purchase of tangible fixed assets | (164,694) | (88,729) |
| Sale of tangible fixed assets | - | 2,353 |
| Net cash outflow for capital expenditure | <u>(164,694)</u> | <u>(86,376)</u> |

3 ANALYSIS OF CHANGES IN NET FUNDS

| | At 1 4 07 | Cash flow | At |
|--------------------------|----------------|----------------|----------------|
| | £ | £ | 31 3 08 |
| | | | £ |
| Net cash | | | |
| Cash at bank and in hand | 155,049 | 325,585 | 480,634 |
| Bank overdraft | (27,762) | (35,879) | (63,641) |
| | <u>127,287</u> | <u>289,706</u> | <u>416,993</u> |
| Total | <u>127,287</u> | <u>289,706</u> | <u>416,993</u> |

The notes form part of these financial statements

Chambers Travel Management Ltd

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st March 2008**

I ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historic cost convention and in accordance with applicable accounting standards. The company has taken advantage of the exemptions granted by S248 of the Companies Act and has not prepared group accounts.

Turnover

Turnover consists primarily of commissions and fees earned on sales of travel tickets, insurance and foreign currency, exclusive of value added tax. Commissions and fees are earned at time of sale. All foreign transactions were made at the ruling exchange rate at the time of the transaction. See additional Turnover Note below.

Goodwill

Goodwill on acquisitions is capitalised and amortised over its useful economic life.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following rates in order to write off each asset over its estimated useful life.

| | |
|--------------------------------|--|
| Leasehold Property | 10% per annum straight line basis |
| Fixtures, Fittings & Equipment | 20% or 33% per annum straight line basis |

Deferred tax

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date, or a right to pay less tax, at a future date, at rates that are expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Company contributions to the personal pension schemes of employees are charged to the profit and loss account as incurred.

Chambers Travel Management Ltd

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st March 2008

1 ACCOUNTING POLICIES - continued

Turnover - additional information

Following the introduction of Application Note G to FRS5 the financial statements show net commission earned as turnover. The gross amounts receivable in respect of ticket sales are -

| | 2008 | 2007 |
|------------------------------|---------------------|---------------------|
| | £ | £ |
| Gross value of Sales | 64,090,435 | 51,554,940 |
| Gross value of Cost of Sales | <u>(58,511,293)</u> | <u>(46,988,424)</u> |
| | <u>£ 5,579,142</u> | <u>£ 4,566,516</u> |

Incentives

Incentive income is released to the profit and loss account on an achieved transaction basis

2 STAFF COSTS

| | 2008 | 2007 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 3,028,235 | 2,410,064 |
| Social security costs | 316,138 | 256,382 |
| Other pension costs | 60,604 | 47,243 |
| | <u>3,404,977</u> | <u>2,713,689</u> |

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

| | 2008 | 2007 |
|---------------------------|------------|-----------|
| Office and Administration | 14 | 12 |
| Sales and Marketing | 86 | 69 |
| | <u>100</u> | <u>81</u> |

Chambers Travel Management Ltd

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st March 2008**

3 OPERATING PROFIT

The operating profit is stated after charging

| | 2008 | 2007 |
|--|----------------|---------------|
| | £ | £ |
| Other operating leases | 90,000 | 20,000 |
| Depreciation - owned assets | 60,787 | 46,897 |
| Goodwill amortisation | - | 2,667 |
| Auditors Remuneration | 8,500 | 8,500 |
| Accountancy - non-Audit Work | <u>7,010</u> | <u>4,795</u> |
| | | |
| Directors' emoluments | 382,351 | 389,482 |
| Directors' pension contributions to money purchase schemes | 26,933 | 30,300 |
| Compensation to directors for loss of office | <u>200,000</u> | <u>30,000</u> |

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

| | | |
|------------------------|----------|----------|
| Money purchase schemes | <u>3</u> | <u>3</u> |
|------------------------|----------|----------|

Information regarding the highest paid director is as follows

| | 2008 | 2007 |
|---|---------------|---------------|
| | £ | £ |
| Emoluments etc | 229,139 | 148,158 |
| Pension contributions to money purchase schemes | <u>10,100</u> | <u>10,100</u> |

4 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2008 | 2007 |
|------------------|--------------|--------------|
| | £ | £ |
| Interest Payable | <u>5,365</u> | <u>8,339</u> |

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

| | 2008 | 2007 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax | 101,630 | 134,202 |
| (Over) / Under provision | <u>-</u> | <u>(12)</u> |
| Total current tax | 101,630 | 134,190 |
| Deferred Taxation | <u>8,900</u> | <u>4,250</u> |
| Tax on profit on ordinary activities | <u>110,530</u> | <u>138,440</u> |

UK corporation tax has been charged at 30%

Chambers Travel Management Ltd

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st March 2008**

5 TAXATION - continued

Factors affecting the tax charge

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

| | 2008 £ | 2007 £ |
|--|-----------------|-----------------|
| Profit on ordinary activities before tax | <u>431,767</u> | <u>516,661</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 - 30%) | 129,530 | 154,998 |
| Effects of | | |
| Expenses not deductible for tax purposes | 7,173 | 11,248 |
| Capital allowances for the year in excess of depreciation | (8,275) | (5,527) |
| Adjustments to tax charge in respect of prior years | - | (12) |
| Marginal Rate Relief | <u>(26,798)</u> | <u>(26,517)</u> |
| Current tax charge | <u>101,630</u> | <u>134,190</u> |

6 DIVIDENDS

| | 2008 £ | 2007 £ |
|---------|----------------|----------------|
| Interim | <u>400,000</u> | <u>380,000</u> |

7 INTANGIBLE FIXED ASSETS

| | Goodwill £ |
|--|---------------|
| COST | |
| At 1st April 2007 and 31st March 2008 | <u>72,500</u> |
| AMORTISATION | |
| At 1st April 2007 and 31st March 2008 | <u>72,500</u> |
| NET BOOK VALUE | |
| At 31st March 2008 | <u>-</u> |
| At 31st March 2007 | <u>-</u> |

Chambers Travel Management Ltd

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st March 2008**

8 TANGIBLE FIXED ASSETS

| | Leasehold Property £ | Fixtures, Fittings & Equipment £ | Totals £ |
|-----------------------|----------------------------|---|----------------|
| COST | | | |
| At 1st April 2007 | 11,684 | 254,745 | 266,429 |
| Additions | - | 164,694 | 164,694 |
| | <u>11,684</u> | <u>419,439</u> | <u>431,123</u> |
| At 31st March 2008 | 11,684 | 419,439 | 431,123 |
| DEPRECIATION | | | |
| At 1st April 2007 | 2,629 | 123,483 | 126,112 |
| Charge for year | 1,168 | 59,619 | 60,787 |
| | <u>3,797</u> | <u>183,102</u> | <u>186,899</u> |
| At 31st March 2008 | 3,797 | 183,102 | 186,899 |
| NET BOOK VALUE | | | |
| At 31st March 2008 | <u>7,887</u> | <u>236,337</u> | <u>244,224</u> |
| At 31st March 2007 | <u>9,055</u> | <u>131,262</u> | <u>140,317</u> |

9 FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|--|---|
| COST | |
| At 1st April 2007 and 31st March 2008 | <u>30,100</u> |
| PROVISIONS | |
| At 1st April 2007 and 31st March 2008 | <u>30,000</u> |
| NET BOOK VALUE | |
| At 31st March 2008 | <u>100</u> |
| At 31st March 2007 | <u>100</u> |

Chambers Travel Management Ltd

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st March 2008**

9 FIXED ASSET INVESTMENTS - continued

At 31st March 2008 the company held 100% of the allotted share capital of the following undertakings

| Name of company | Country of incorporation | Proportion held | Nature of business |
|-------------------------|---------------------------------|------------------------|---------------------------|
| Direct Holding | | | |
| Chambers Elite Limited | England & Wales | 100% | Dormant company |
| Interact Events Limited | England & Wales | 100% | Dormant company |

The aggregate amount of capital and reserves and the results of these undertakings for the last financial year was as follows

| | Capital & Reserves | Profit/(Loss for the year) |
|-------------------------|-------------------------------|------------------------------------|
| | £ | £ |
| Chambers Elite Limited | 100 | nil |
| Interact Events Limited | 30,000 | nil |

10 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2008 | 2007 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 1,127,832 | 1,123,106 |
| Other debtors | 616,336 | 407,628 |
| Loan to Parent Company | 384,004 | 260,588 |
| Prepayments and accrued income | 503,584 | 550,492 |
| | <u>2,631,756</u> | <u>2,341,814</u> |

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2008 | 2007 |
|---|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts (see note 12) | 63,641 | 27,762 |
| Trade creditors | 1,669,040 | 1,182,703 |
| Corporation Tax | 101,630 | 134,202 |
| Social security and other taxes | 130,470 | 107,528 |
| Other creditors | 155,159 | 158,993 |
| Accruals and deferred income | 390,393 | 109,848 |
| | <u>2,510,333</u> | <u>1,721,036</u> |

The bank overdraft is secured by a fixed and floating charge over the company's assets and is repayable on demand

Chambers Travel Management Ltd

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st March 2008**

12 LOANS

An analysis of the maturity of loans is given below

| | 2008 £ | 2007 £ |
|--|---------------|---------------|
| Amounts falling due within one year or on demand | | |
| Bank overdrafts | <u>63,641</u> | <u>27,762</u> |

13 PROVISIONS FOR LIABILITIES

| | 2008 £ | 2007 £ |
|--------------|---------------|--------------|
| Deferred tax | <u>16,800</u> | <u>7,900</u> |

| | |
|----------------------------|----------------------|
| | Deferred tax £ |
| Balance at 1st April 2007 | 7,900 |
| Increase provision in year | <u>8,900</u> |
| Balance at 31st March 2008 | <u>16,800</u> |

14 CALLED UP SHARE CAPITAL

| Authorised Number | Class | Nominal value £1 | 2008 £ | 2007 £ |
|----------------------|----------|------------------------|----------------|----------------|
| 100,000 | Ordinary | | <u>100,000</u> | <u>100,000</u> |

| Allotted, issued and fully paid Number | Class | Nominal value £1 | 2008 £ | 2007 £ |
|---|----------|------------------------|---------------|---------------|
| 67,733 | Ordinary | | <u>67,733</u> | <u>67,733</u> |

Chambers Travel Management Ltd

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st March 2008**

15 RESERVES

| | Profit and loss account £ | Share premium £ | Capital redemption reserve £ | Totals £ |
|---------------------|------------------------------------|-----------------------|---------------------------------------|----------------|
| At 1st April 2007 | 779,345 | 32,266 | 29,000 | 840,611 |
| Profit for the year | 321,237 | | | 321,237 |
| Dividends | (400,000) | | | (400,000) |
| At 31st March 2008 | <u>700,582</u> | <u>32,266</u> | <u>29,000</u> | <u>761,848</u> |

Capital Redemption Reserve

The balance of £29,000 arose following the company's purchase of its own share capital during the year ended 31st March 1994

16 ULTIMATE PARENT COMPANY

The Directors consider that the ultimate parent undertaking of this company is Chambers Travel Group Limited, who's registered office is Broken Wharf House, 2 Broken Wharf, London EC4V 3DT. The controlling party of Chambers Travel Group Limited by virtue of his ownership of 100% of the issued preference shares and 67.5% of the issued ordinary share capital in the company is Mr C A Thelen.

17 CAPITAL COMMITMENTS

| | 2008 £ | 2007 £ |
|---|---------------|-----------|
| Contracted but not provided for in the financial statements | <u>79,200</u> | <u>-</u> |

18 OTHER FINANCIAL COMMITMENTS

The company has the following annual commitment under non cancelable leases on its premises, which expires -

| | 2008 £ | 2007 £ |
|--------------------------|-----------------|-----------------|
| Within one year | 172,739 | 172,739 |
| Within two to five years | <u>314,686</u> | <u>487,425</u> |
| | <u>£487,425</u> | <u>£660,164</u> |

19 RELATED PARTY DISCLOSURES

| | 2008 £ | 2007 £ |
|--|----------------|----------------|
| Loan to Parent Company - Chambers Travel Group Limited | <u>384,004</u> | <u>260,588</u> |

Chambers Travel Management Ltd

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31st March 2008

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2008 | 2007 |
|---|-----------------|----------------|
| | £ | £ |
| Profit for the financial year | 321,237 | 378,221 |
| Dividends | (400,000) | (380,000) |
| Net reduction of shareholders' funds | (78,763) | (1,779) |
| Opening shareholders' funds | 908,344 | 910,123 |
| Closing shareholders' funds | 829,581 | 908,344 |