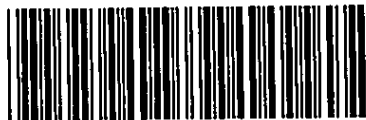


CHAMBERS TRAVEL MANAGEMENT LIMITED

Directors' Report And Financial Statements

For the year ended 31 March 2012

TUESDAY



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COMPANIES HOUSE

Company Registration No 02229894 (England And Wales)

CHAMBERS TRAVEL MANAGEMENT LIMITED

COMPANY INFORMATION

Directors

C Thelen
J Thorpe
P Bridger (Appointed 1 April 2012)

Secretary

J Hunt

Company number

02229894

Registered office

Broken Wharf House
2 Broken Wharf
London
EC4V 3DT

Auditors

Kingston Smith LLP
Orbital House
20 Eastern Road
Romford
Essex
RM1 3PJ

CHAMBERS TRAVEL MANAGEMENT LIMITED

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| Profit and loss account | 5 |
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CHAMBERS TRAVEL MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and financial statements for the year ended 31 March 2012

Principal activities and review of the business

The principal activity of the company continued to be that of business travel management

The company's performance for the year ending 31 March 2012 was satisfactory in a challenging trading environment caused mainly by uncertainty in UK and continental European markets

The gross value of invoiced sales increased by 15% to £94 million (2011 £82 million) Trading income increased by 19% to £8.2 million (2011 £6.7 million) This included new income streams generated from the launch in 2011 of a range of business travel technology products under the brand of Chambers Qi

Chambers Travel Management continued to benefit from its membership of the worldwide travel management network GlobalStar

The future trading environment remains uncertain. The company expects to continue to win new business, to drive productivity improvements and increase income through the development of technology products

There are a number of Key Performance Indicators regularly monitored by the Board to ensure the company meets its profit objectives and that the business is compliant with industry related and financial legislation. These include but are not limited to

- Bank Balance, Cash Flow Forecasts and Balance Sheet Liquidity Ratios,
- Trading Volumes, Ratios of Margin to Sales and Growth over prior year and budget,
- Overheads Ratios as % of Gross Margin and in particular Payroll Ratios to Gross Margin,
- Head Count to Turnover, Transactions and Income, and
- New Business Opportunities and Pipeline

The principal risks to the business continue to be the loss or default of a major client, airline strikes, adverse Government legislation and major disruptions to business travel caused by external factors

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 April 2011

C Thelen

J Thorpe

P Bridger

A Perolls

(Appointed 1 April 2012)

(Resigned 31 October 2011)

Auditors

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

CHAMBERS TRAVEL MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



C Thelen

Director

27/9/2012

CHAMBERS TRAVEL MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHAMBERS TRAVEL MANAGEMENT LIMITED

We have audited the financial statements of Chambers Travel Management Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CHAMBERS TRAVEL MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF CHAMBERS TRAVEL MANAGEMENT LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Brian Pope (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

28 September 2012

Chartered Accountants
Statutory Auditor

Orbital House
20 Eastern Road
Romford
Essex
RM1 3PJ

CHAMBERS TRAVEL MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012

| | Notes | 2012 £ | 2011 £ |
|---|-------|-------------|-------------|
| Turnover | 2 | 8,207,838 | 6,709,927 |
| Administrative expenses | | (7,849,172) | (6,336,400) |
| Operating profit | 3 | 358,666 | 373,527 |
| Investment income | 4 | 38,460 | 30,855 |
| Interest payable and similar charges | 5 | (25,955) | (11,134) |
| Profit on ordinary activities before taxation | | 371,171 | 393,248 |
| Tax on profit on ordinary activities | 6 | (109,115) | (121,230) |
| Profit for the year | 18 | 262,056 | 272,018 |

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

CHAMBERS TRAVEL MANAGEMENT LIMITED

BALANCE SHEET AS AT 31 MARCH 2012

| | Notes | 2012 £ | £ | 2011 £ | £ |
|--|-------|--------------------|--------------------|------------------|---|
| Fixed assets | | | | | |
| Tangible assets | 9 | 153,291 | | 53,204 | |
| Investments | 10 | 100 | | 100 | |
| | | <u>153,391</u> | | <u>53,304</u> | |
| Current assets | | | | | |
| Debtors | 11 | 4,942,633 | 5,178,404 | | |
| Cash at bank and in hand | 12 | 886,720 | 225,397 | | |
| | | <u>5,829,353</u> | <u>5,403,801</u> | | |
| Creditors, amounts falling due within one year | 13 | <u>(4,451,835)</u> | <u>(4,099,745)</u> | | |
| Net current assets | | <u>1,377,518</u> | | <u>1,304,056</u> | |
| Total assets less current liabilities | | <u>1,530,909</u> | | <u>1,357,360</u> | |
| Creditors, amounts falling due after more than one year | 14 | <u>(102,518)</u> | <u>(126,872)</u> | | |
| | | <u>1,428,391</u> | | <u>1,230,488</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 17 | 100,000 | 100,000 | | |
| Share premium account | 18 | 32,266 | 32,266 | | |
| Other reserves | 18 | 138,649 | 102,802 | | |
| Profit and loss account | 18 | 1,157,476 | 995,420 | | |
| Shareholders' funds | 19 | <u>1,428,391</u> | <u>1,230,488</u> | | |

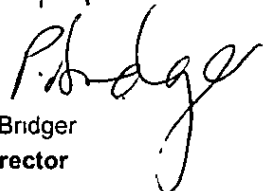
Approved by the Board and authorised for issue on

27/9/2012



C Thelen
Director

P Bridger
Director



Company Registration No 02229894

CHAMBERS TRAVEL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 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 recorded at the ruling exchange rate at the time of the transaction. The financial statements show net commission earned as turnover. Refer to note 2 for further details

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

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life

1.5 Tangible fixed assets and depreciation

Tangible fixed assets 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

| | |
|--------------------------------|---|
| Leasehold land and buildings | 10% per annum straight line basis/over the lease term |
| Fixtures, fittings & equipment | 20% or 33% per annum straight line basis |

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

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

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.8 Pensions

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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

(continued)

1 9 Deferred taxation

In accordance with FRS 19, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date

1 10 Share-based payments

The company has issued share options to certain directors and employees. These must be measured at fair value and recognised as an expense in the profit and loss account with a corresponding increase in equity. The fair value of the options was estimated at the date of grant using the option-pricing model. The fair value will be charged as an expense in the profit and loss account over the vesting period. The charge is adjusted each year to reflect the expected and actual level of vesting.

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Chambers Travel Group Limited, a company incorporated in England and Wales, and is included in the consolidated financial statements of that company.

2 Turnover

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

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

| | 2012 £ | 2011 £ |
|------------------------------|------------------|------------------|
| Gross value of Sales | 94,280,372 | 81,958,334 |
| Gross value of Cost of Sales | (86,072,534) | (75,248,407) |
| | <u>8,207,838</u> | <u>6,709,927</u> |

3 Operating profit

| | 2012 £ | 2011 £ |
|---|-----------|-----------|
| Operating profit is stated after charging | | |
| Depreciation of tangible assets | 57,999 | 50,844 |
| Loss on foreign exchange | 3,094 | 325 |
| Operating lease rentals | 233,925 | 176,534 |
| Auditors' remuneration | 20,000 | 13,000 |
| | <u></u> | <u></u> |

CHAMBERS TRAVEL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

| | | | |
|----------|---|---------------|----------------|
| 4 | Investment income | 2012 | 2011 |
| | | £ | £ |
| | Interest from group loan | 38,460 | 30,855 |
| | | | |
| 5 | Interest payable | 2012 | 2011 |
| | | £ | £ |
| | On bank loans and overdrafts | 25,955 | 11,134 |
| | | | |
| 6 | Taxation | 2012 | 2011 |
| | | £ | £ |
| | Domestic current year tax | | |
| | U K corporation tax | 109,098 | 130,681 |
| | Adjustment for prior years | (9,179) | - |
| | Current tax charge | 99,919 | 130,681 |
| | Deferred tax | | |
| | Deferred tax charge/(credit) current year | 9,196 | (9,451) |
| | | 109,115 | 121,230 |
| | | | |
| | Factors affecting the tax charge for the year | | |
| | Profit on ordinary activities before taxation | 371,171 | 393,248 |
| | | | |
| | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26 00% (2011 - 28 00%) | 96,504 | 110,109 |
| | Effects of | | |
| | Non deductible expenses | 17,931 | 23,265 |
| | Capital allowances in excess of depreciation | (671) | (1,597) |
| | Allowable depreciation | (4,131) | - |
| | Prior year adjustment | (9,179) | - |
| | Provision adjustment | (535) | (548) |
| | Marginal rate relief | - | (548) |
| | | 3,415 | 20,572 |
| | Current tax charge | 99,919 | 130,681 |

CHAMBERS TRAVEL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

| 7 | Dividends | 2012 | 2011 |
|---|------------------------------------|----------------|----------------|
| | | £ | £ |
| | Ordinary interim paid | <u>100,000</u> | <u>100,000</u> |
| | | | |
| 8 | Intangible fixed assets | Goodwill | |
| | | £ | |
| | Cost | | |
| | At 1 April 2011 & at 31 March 2012 | <u>72,500</u> | |
| | Amortisation | | |
| | At 1 April 2011 & at 31 March 2012 | <u>72,500</u> | |
| | Net book value | | |
| | At 31 March 2012 | <u>-</u> | |
| | At 31 March 2011 | <u>-</u> | |

CHAMBERS TRAVEL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

9 Tangible fixed assets

| | Land and buildings leasehold £ | Fixtures, fittings & equipment £ | Total £ |
|-----------------------|---|---|------------|
| Cost | | | |
| At 1 April 2011 | 43,263 | 506,562 | 549,825 |
| Additions | 33,032 | 125,054 | 158,086 |
| At 31 March 2012 | 76,295 | 631,616 | 707,911 |
| Depreciation | | | |
| At 1 April 2011 | 13,618 | 483,003 | 496,621 |
| Charge for the year | 14,092 | 43,907 | 57,999 |
| At 31 March 2012 | 27,710 | 526,910 | 554,620 |
| Net book value | | | |
| At 31 March 2012 | 48,585 | 104,706 | 153,291 |
| At 31 March 2011 | 29,645 | 23,559 | 53,204 |

Included above are assets held under finance leases or hire purchase contracts as follows

| | Fixtures, fittings & equipment £ |
|---|---|
| Net book values | |
| At 31 March 2012 | 65,817 |
| Depreciation charge for the year | |
| At 31 March 2012 | 15,887 |

CHAMBERS TRAVEL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

10 Fixed asset investments

| | Shares in subsidiary undertakings £ |
|---|--|
| Cost | |
| At 1 April 2011 & at 31 March 2012 | 30,100 |
| Provisions for diminution in value | |
| At 1 April 2011 & at 31 March 2012 | 30,000 |
| Net book value | |
| At 31 March 2012 | 100 |
| At 31 March 2011 | 100 |

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

| Company | Country of registration or incorporation | Class | Shares held % |
|--------------------------------|--|----------|---------------|
| Subsidiary undertakings | | | |
| Chambers Elite Limited | England and Wales | Ordinary | 100 |
| Interact Events Limited | England and Wales | Ordinary | 100 |

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

| | | Capital and reserves 2012 £ | Profit/(loss) for the year 2012 £ |
|-------------------------|-----------------------------------|-----------------------------------|--|
| | Principal activity | | |
| Chambers Elite Limited | Dormant company | 100 | - |
| Interact Events Limited | Trustee of Employee Benefit Trust | - | - |

CHAMBERS TRAVEL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

| 11 Debtors | 2012 | 2011 |
|---|------------------|------------------|
| | £ | £ |
| Trade debtors | 3,056,578 | 3,313,914 |
| Amounts owed by participating interests | 865,486 | 823,722 |
| Other debtors | 128,025 | 119,214 |
| Prepayments and accrued income | 870,389 | 890,203 |
| Deferred tax asset (see note 15) | 22,155 | 31,351 |
| | <u>4,942,633</u> | <u>5,178,404</u> |

Amounts falling due after more than one year and included in the debtors above are

| | 2012 | 2011 |
|---|----------------|----------------|
| | £ | £ |
| Amounts owed by participating interests | <u>728,009</u> | <u>892,867</u> |

Included within other debtors is an amount of £83,959 (2011 £83,959) which has a charge over it in respect of a rent deposit deed dated 7 December 2004

12 Cash at bank and in hand

Included within the cash at bank and in hand balance are amounts totalling £57,773 (2011 £30,000) which have first legal charge over them in favour of a third party. Refer to note 21 for details

| 13 Creditors: amounts falling due within one year | 2012 | 2011 |
|--|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts | 57,927 | 61,197 |
| Net obligations under finance leases | 25,755 | - |
| Trade creditors | 3,018,179 | 2,351,741 |
| Corporation tax | 99,918 | 130,681 |
| Other taxes and social security costs | 124,184 | 414,153 |
| Other creditors | 834,558 | 904,108 |
| Accruals and deferred income | 291,314 | 237,865 |
| | <u>4,451,835</u> | <u>4,099,745</u> |

The bank overdraft which is repayable on demand, is secured by a fixed and floating debenture charge over the company's current and future assets and also by an omnibus guarantee and set off agreement

Included within other creditors are unpaid pension contributions of £7,891 (2011 - £9,949)

CHAMBERS TRAVEL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

| 14 Creditors amounts falling due after more than one year | 2012 £ | 2011 £ |
|---|-------------------|-------------------|
| Bank loans | 69,888 | 126,872 |
| Net obligations under finance leases | 32,630 | - |
| | <u>102,518</u> | <u>126,872</u> |
| Analysis of loans | | |
| Wholly repayable within five years | 127,815 | 188,069 |
| | <u>127,815</u> | <u>188,069</u> |
| Included in current liabilities | (57,927) | (61,197) |
| | <u>69,888</u> | <u>126,872</u> |
| Loan maturity analysis | | |
| In more than two years but not more than five years | 69,888 | 126,872 |
| | <u>69,888</u> | <u>126,872</u> |
| The company has a bank loan, which is repayable in 48 monthly instalments and interest is charged at base rate plus 4 23% The bank loan is secured by an unlimited debenture and an omnibus guarantee and set off agreement | | |
| Net obligations under finance leases | | |
| Repayable within one year | 25,755 | - |
| Repayable between one and five years | 32,630 | - |
| | <u>58,385</u> | <u>-</u> |
| Included in liabilities falling due within one year | (25,755) | - |
| | <u>32,630</u> | <u>-</u> |

CHAMBERS TRAVEL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

15 Provisions for liabilities

The deferred tax asset (included in debtors, note 11) is made up as follows

| | 2012 £ | |
|--------------------------------|-----------------|-----------------|
| Balance at 1 April 2011 | (31,351) | |
| Profit and loss account | 9,196 | |
| | <u>(22,155)</u> | |
| Balance at 31 March 2012 | <u>(22,155)</u> | |
| | 2012 £ | 2011 £ |
| Decelerated capital allowances | (7,207) | (8,895) |
| Other timing differences | (14,948) | (22,456) |
| | <u>(22,155)</u> | <u>(31,351)</u> |

16 Pension and other post-retirement benefit commitments Defined contribution

| | 2012 £ | 2011 £ |
|---|---------------|---------------|
| Contributions payable by the company for the year | <u>90,946</u> | <u>75,616</u> |

17 Share capital

| | 2012 £ | 2011 £ |
|------------------------------------|----------------|----------------|
| Allotted, called up and fully paid | | |
| 100,000 Ordinary of £1 each | <u>100,000</u> | <u>100,000</u> |

CHAMBERS TRAVEL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

18 Statement of movements on reserves

| | Share premium account £ | Other reserves (see below) £ | Profit and loss account £ |
|--------------------------|----------------------------------|---------------------------------------|------------------------------------|
| Balance at 1 April 2011 | 32,266 | 102,802 | 995,420 |
| Profit for the year | - | - | 262,056 |
| Dividends paid | - | - | (100,000) |
| Movement during the year | - | 35,847 | - |
| Balance at 31 March 2012 | <u>32,266</u> | <u>138,649</u> | <u>1,157,476</u> |

Other reserves

Capital redemption reserve

Balance at 1 April 2011 & at 31 March 2012

29,000

Capital contribution from Parent Company

Balance at 1 April 2011

73,802

Contribution made in the year

35,847

Balance at 31 March 2012

109,649

The capital contribution from the parent company in the year is in respect of the company's exit based employee management incentive. Refer to note 20.

19 Reconciliation of movements in shareholders' funds

| | 2012 £ | 2011 £ |
|-------------------------------------|------------------|------------------|
| Profit for the financial year | 262,056 | 272,018 |
| Dividends | (100,000) | (100,000) |
| | <u>162,056</u> | <u>172,018</u> |
| Movements on other reserves | 35,847 | 73,802 |
| Net addition to shareholders' funds | 197,903 | 245,820 |
| Opening shareholders' funds | 1,230,488 | 984,668 |
| Closing shareholders' funds | <u>1,428,391</u> | <u>1,230,488</u> |

CHAMBERS TRAVEL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

20 Employee management incentive share option scheme

The company has an exit based employee management incentive share option scheme for eligible employees. On 24 August 2010 six employees were issued share options over a total of 102,000 ordinary £0.05 shares of Chambers Travel Group Limited, the company's parent company, at an exercise price of £0.25 per share. A further 12,000 options were issued on 26 March 2012 at an exercise price of £0.25. During the year 42,000 options lapsed due to employees ceasing to be employed by the company. All options lapse 10 years after the date they were granted and are exercisable when the exit conditions are met.

The fair value of the options granted have been measured using the Black-Scholes option pricing model, with the following assumptions:

| | at 26 March 2012 | at 24 August 2010 |
|-----------------------------|---------------------|----------------------|
| -Average share price | £1.86 | £5.48 |
| -Exercise Price | £0.25 | £0.25 |
| -Expected volatility | 52% | 52% |
| -Option life | 5 years | 5 years |
| -Dividend yield | 0% | 0% |
| -Risk-free rate of interest | 4% | 4% |

Expected volatility was determined by reference to a listed entity operating in a similar market and facing similar risks to the company. No other features of the option grant were incorporated into the measurement of fair value.

The total expense recognised in the profit and loss account for the year arising from share based payment transactions was £35,847 (2011: £73,802).

21 Contingent liabilities

Included in the company's cash at bank and in hand balance are amounts totalling £57,773 which are secured by way of legal charge in favour of the International Air Transport Association.

22 Financial commitments

At 31 March 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2013:

| | Land and buildings | | Other | |
|-------------------------------|--------------------|---------|--------|--------|
| | 2012 | 2011 | 2012 | 2011 |
| | £ | £ | £ | £ |
| Operating leases which expire | | | | |
| Between two and five years | 188,200 | 188,200 | 45,725 | 45,725 |

CHAMBERS TRAVEL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

| 23 Directors' remuneration | 2012 | 2011 |
|--------------------------------------|-------------|-------------|
| | £ | £ |
| Remuneration for qualifying services | 100,363 | 433,146 |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2011 - 2)

24 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

| | 2012 | 2011 |
|---------------------------|---------------|---------------|
| | Number | Number |
| Office and Administration | 17 | 19 |
| Sales and Marketing | 124 | 97 |
| | 141 | 116 |

| Employment costs | 2012 | 2011 |
|-------------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 4,278,065 | 3,839,113 |
| Social security costs | 466,805 | 409,876 |
| Other pension costs | 90,946 | 75,616 |
| | 4,835,816 | 4,324,605 |

25 Control

The Directors consider that the ultimate parent undertaking of this company is Chambers Travel Group Limited, whose registered office is Broken Wharf House, 2 Broken Wharf, London EC4V 3DT. The ultimate controlling party of Chambers Travel Management Limited, by virtue of his majority shareholding in the parent company, is Mr C Thelen.

CHAMBERS TRAVEL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

26 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

Included within trade debtors are amounts due from C Thelen, a director, of £620 (2011 £nil) This is in relation to travel tickets purchased by the director

During the year £48,347 (2011 £nil) was paid for consultancy services provided by P Bridger P Bridger is considered to be key management as at the balance sheet date