

222003

CHAMBERS TRAVEL MANAGEMENT LIMITED

REPORT AND FINANCIAL STATEMENTS

31st MARCH 2004



Chambers Travel Management Limited**Directors**

N.R.I. Foot (Managing)
 J.A. Corbisiero
 C.A. Thelen
 T. Harris
 A. Kodikara (Appointed 22 September 2003)

Secretary and Registered Office

A. Kodikara
 58 Uxbridge Road, Ealing W5 2ST

Auditors

Moore Stephens
 Chartered Accountants
 St. Paul's House, Warwick Lane, London, EC4P 4BN

Report of the Directors

The directors present their report and the audited financial statements for the year ended 31st March 2004.

Review of Activities and Future Prospects

The principal activity of the company is business travel management. The directors are pleased to report a satisfactory result against the background of difficult trading conditions following the war in Iraq and the Sars crisis. This level of activity is expected to continue for the foreseeable future.

Results and Dividends

The profit for the year amounted to £153,856 (2003: £61,239). The directors do not recommend the payment of a dividend.

Charitable Contributions

During the year the company made charitable contributions of £2,461 (2003: £116) for the relief of financial hardship, old age, sickness and disability.

Directors' Interests

The interests of the directors, as defined by the Companies Act 1985, in the £1 ordinary shares of the company at the beginning and end of the year were as follows:

<u>Name</u>	<u>Holding at</u>	
	<u>31.3.04</u>	<u>31.3.03</u> (or at date of appointment)
Mr. N.R.I. Foot	28,000	28,000
Mrs. J.A. Corbisiero	22,122	22,122
Mr. C.A. Thelen	17,611	17,611
Mr. T. Harris	-	-
Ms. A. Kodikara	-	-

Chambers Travel Management Limited

Report of the Directors (Continued)

Auditors

The auditors, Moore Stephens, are willing to continue in office. A resolution for their reappointment will be proposed at the annual general meeting.

By Order of the Board

A. KODIKARA

A handwritten signature in dark ink, appearing to read 'A. Kodikara', with a horizontal line underneath.

Chambers Travel Management Limited

Statement of Director's 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 affairs of the company and of the profit or loss of the company for that period. In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

**Independent Auditors' Report to the Shareholders of
Chambers Travel Management Limited**

We have audited the financial statements of Chambers Travel Management Limited for the year ended 31 March 2004 set out on pages 5 to 15. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 8.

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 auditor's 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Directors' Report 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 United Kingdom 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

30 June 2004
St. Paul's House
London, EC4P 4BN



MOORE STEPHENS

Registered Auditor
Chartered Accountants

Chambers Travel Management Limited

Profit and Loss Account
For the year ended 31st March 2004

	<u>Note</u>	<u>2004</u>	<u>2003</u> (restated)
Turnover	1(b)/2	2,210,919	2,160,492
Administrative expenses		(2,025,980)	(2,109,699)
Other operating income		4,059	56,038
Operating Profit	3	188,998	106,831
Net interest receivable	4	12,603	7,075
Profit on Ordinary Activities before Taxation		201,601	113,906
Taxation on profit on ordinary activities	6	(47,745)	(52,577)
Profit for the Financial Year	15	£ 153,856	£ 61,329

All activities are in respect of continuing operations.

There were no recognised gains or losses other than as disclosed in the profit and loss account.

Chambers Travel Management Limited

Balance Sheet at 31st March 2004

	Note	2004	2003
Fixed Assets			
Intangible fixed assets	7	13,667	27,417
Tangible fixed assets	8	120,639	182,239
Investments	9	100	100
		<u>134,406</u>	<u>209,756</u>
Current Assets			
Debtors	10	1,560,373	1,123,753
Cash at bank and in hand		651,949	507,187
		<u>2,212,322</u>	<u>1,630,940</u>
Creditors, amounts falling due within one year	11	<u>(1,636,878)</u>	<u>(1,281,667)</u>
Net Current Assets		<u>575,444</u>	<u>349,273</u>
Total Assets Less Current Liabilities		<u>709,850</u>	<u>559,029</u>
Provision for Liabilities and Charges	12	<u>(5,552)</u>	<u>(8,587)</u>
		<u>£ 704,298</u>	<u>£ 550,442</u>
Capital and Reserves			
Called up share capital	13	67,733	67,733
Share premium	15	32,265	32,265
Capital redemption reserve	14	29,000	29,000
Profit and loss account	15	575,300	421,444
Equity Shareholders' Funds	16	<u>£ 704,298</u>	<u>£ 550,442</u>

The financial statements were approved by the Board on 30 June 2004

Director



Chambers Travel Management Limited

Cashflow Statement
For the year ended 31st March 2004

	<u>Note</u>	<u>2004</u>	<u>2003</u>
Cash inflow from operating activities	18	176,714	295,211
Returns on investments and servicing of finance	19	12,603	7,075
Taxation paid		(28,602)	(39,287)
Capital expenditure	19	(15,953)	(116,114)
Increase in cash	20	£ <u>144,762</u>	£ <u>146,885</u>

Chambers Travel Management Limited**Financial Statements for the year ended 31st March 2004****Notes****1. Principle Accounting Policies****(a) Basis of accounting**

The financial statements have been prepared under the historical 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.

(b) Turnover

Turnover consists primarily of commissions and fees earned on sales of travel tickets, insurance and foreign currency, exclusive of value added tax. This is a change in accounting policy (see note 2). All foreign transactions were made at the ruling exchange rate at the time of the transaction.

(c) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight line basis to write off the cost of assets over their expected useful economic lives at the following rates:

Fixtures, fittings and equipment	- 20 - 33 % p.a.
Leasehold property	- Over the term of the lease
Motor vehicles	- 25% p.a.

Contributions towards the cost of fixed assets are treated as deferred income and released in line with the depreciation charge on the associated assets.

(d) Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, 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 the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(e) Pensions

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

(f) Goodwill

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

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2004

Notes (Continued)

2. Turnover

	<u>2004</u>	<u>2003</u>
Gross value of sales	20,215,327	20,430,120
Gross value of cost of sales	(18,004,408)	(18,269,628)
	<u>£ 2,210,919</u>	<u>£ 2,160,492</u>

Following the introduction of Application Note G to FRS5 the financial statements have been restated to show net commission earned as turnover, whereas previously gross amounts receivable in respect of ticket sales was presented. The restatement has had no effect on the net profit for 2003, but has had the effect of reducing turnover as detailed above.

3. Operating Profit

	<u>2004</u> £	<u>2003</u> £
Operating profit is stated after charging/(crediting):		
Loss/(profit) on sale of fixed assets	1,532	(1,287)
Depreciation and amortisation	89,771	79,568
Auditors' remuneration	13,750	12,500
	<u> </u>	<u> </u>

4. Interest Receivable/(Payable)

	<u>2004</u>	<u>2003</u>
Bank interest receivable	13,728	7,245
Bank interest payable	(1,125)	(170)
	<u>£ 12,603</u>	<u>£ 7,075</u>

5. Directors and Employees

	<u>2004</u>	<u>2003</u>
Directors' emoluments comprise:		
Amounts paid in respect of qualifying service	313,208	331,048
Contributions to personal pension schemes	9,600	9,900
	<u>£ 322,808</u>	<u>£ 340,948</u>
Highest paid director		
	<u>2004</u>	<u>2003</u>
Normal emoluments	<u>£ 129,665</u>	<u>£ 155,075</u>

Contributions to personal pension schemes were made in respect of two directors in the year (2003 - 2).

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2004

Notes (Continued)

5. Directors and Employees (Continued)

	<u>2004</u>	<u>2003</u>
Staff costs, including directors emoluments, comprise:		
Wages and salaries	1,176,463	1,297,306
Social security costs	136,316	134,426
Other pension costs	21,674	22,787
	<u>£ 1,334,453</u>	<u>£ 1,454,519</u>

The average monthly number of persons, including directors, employed by the group during the year was 37 (2003 - 43).

Wages and salaries include bonus payments of £9,848 for the release of share options to three employees of the company during the year.

6. Taxation on Profit on Ordinary Activities

	<u>2004</u>	<u>2003</u>
(a) Analysis of the charge in the year		
United Kingdom corporation tax based on the results for the year	57,150	34,972
Prior year (over)/under provision	(6,370)	10,487
Total current tax	<u>50,780</u>	<u>45,459</u>
Deferred taxation (note 12)	<u>(3,035)</u>	<u>7,118</u>
Tax on profit on ordinary activities	<u>£ 47,745</u>	<u>£ 52,577</u>

(b) Factors affecting tax charge for the year

The tax charge for the period is lower than the standard rate of corporation tax of 30%. The differences are explained below:

	<u>2004</u>	<u>2003</u>
Profit on ordinary activities before taxation	<u>231,601</u>	<u>113,906</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 30%)	69,480	34,172
Effects of:		
Expenses not allowable for tax purposes	12,907	8,265
Depreciation in excess of capital allowances	5,142	8,492
Small company relief	(30,373)	(15,957)
Prior year adjustment	<u>(6,370)</u>	<u>10,487</u>
Current tax charge	<u>50,780</u>	<u>45,459</u>

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2004

Notes (Continued)

7. Intangible Fixed Assets

		<u>Goodwill</u>
Cost		
At 1st April 2003 and 31st March 2004	£	72,500
Amortisation		
At 1st April 2003		45,083
Charge for the year		13,750
At 31st March 2004	£	58,233
Net book value		
At 31st March 2004	£	13,667
At 31st March 2003	£	27,417

Goodwill arising on the purchase of travel contracts is being amortised over a period of five years from the date of purchase. The directors consider this to be a reasonable basis given the nature of the industry.

8. Tangible Fixed Assets

	<u>Lease Improvements</u>	<u>Fixtures, Fittings and Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost				
At 1st April 2003	4,000	355,236	38,800	398,036
Additions	-	14,944	14,259	29,203
Disposals	-	-	(38,800)	(38,800)
At 31st March 2004	£ 4,000	£ 370,180	£ 14,259	£ 388,439
Depreciation				
At 1st April 2003	1,600	191,897	22,300	215,797
Charge for the year	800	71,127	4,094	76,021
Disposals	-	-	(24,018)	(24,018)
At 31st March 2004	£ 2,400	£ 263,024	£ 2,376	£ 267,800
Net book value				
At 31st March 2004	£ 1,600	£ 107,156	£ 11,883	£ 120,639
At 31st March 2003	£ 2,400	£ 163,339	£ 16,500	£ 182,239

Included in tangible fixed assets is computer equipment with a net book value as at 31st March 2004 of £39,778 which has been paid for by a third party.

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2004

Notes (Continued)

9. Fixed Asset Investments

	<u>2004</u>	<u>2003</u>
Cost		
Investment in subsidiary undertakings		
At 1st April 2003 and 31st March 2004	£ 30,100	£ 30,100
Provision		
At 1st April 2003 and 31st March 2004	£ 30,000	£ 30,000
Net book value		
At 1st April 2003 and 31st March 2004	£ 100	£ 100

The company also owns 100% of the issued ordinary share capital of Chambers Travel Elite Limited and Interact Events Limited. Both companies are registered in England and have been dormant throughout the year.

10. Debtors

	<u>2004</u>	<u>2003</u>
	<u>Amounts falling due</u>	<u>within one year</u>
Trade debtors	1,190,954	826,295
Other debtors	137,875	87,296
Prepayments and accrued income	231,544	210,162
	£ 1,560,373	£ 1,123,753

Included in other debtors is a rent deposit of £29,917 due after more than one year.

11. Creditors

	<u>2004</u>	<u>2003</u>
	<u>Amounts falling due</u>	<u>within one year</u>
Trade creditors	1,276,314	949,897
Corporation tax	57,150	34,972
Other creditors	84,914	113,319
Other taxation and social security	117,050	97,069
Amounts owed to group undertakings	-	839
Accruals and deferred income	101,450	85,571
	£ 1,636,878	£ 1,281,667

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2004

Notes (Continued)

12. Provision for Liabilities and Charges

	<u>2004</u>	<u>2003</u>
Deferred tax		
At 1st April 2003	8,587	1,469
Transfer from profit and loss account (note 6)	(3,035)	7,118
Balance at 31st March 2004	£ <u>5,552</u>	£ <u>8,587</u>

The above balance arises from an excess of capital allowances over depreciation and represents the total potential liability to the company.

13. Called Up Share Capital

	<u>2004</u>	<u>2003</u>
Authorised		
100,000 ordinary shares of £1 each	£ <u>100,000</u>	£ <u>100,000</u>
Allotted, called up and fully paid		
67,733 ordinary shares of £1 each	£ <u>67,733</u>	£ <u>67,733</u>

All shares rank equally in respect of all shareholder rights.

14. 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.

15. Reserves

	<u>Share Premium</u>	<u>Profit and Loss Account</u>
Balance at 1st April 2003	32,265	421,444
Profit for the financial year	-	153,856
Balance at 31st March 2004	£ <u>32,265</u>	£ <u>575,300</u>

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2004

Notes (Continued)

16. Equity Shareholders' Funds

	<u>2004</u>	<u>2003</u>
Balance at 1st April 2003	550,442	489,703
Profit for the financial year	153,856	61,239
Balance at 31st March 2004	£ <u>704,298</u>	£ <u>550,442</u>

17. Other Financial Commitments

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

	<u>2004</u>	<u>2003</u>
Within one year	29,568	-
Within two to five years	48,790	78,358
	£ <u>78,358</u>	£ <u>78,358</u>

18. Reconciliation of Operating Profit to Cash Flows from Operating Activities

	<u>2004</u>	<u>2003</u>
Operating profit	188,998	106,831
Loss/(profit) on fixed asset disposal	1,532	(1,287)
Depreciation and amortisation	89,771	84,992
(Increase)/decrease in debtors	(436,620)	186,288
Increase/(decrease) in creditors	333,033	(81,613)
Cash inflow from operating activities	£ <u>176,714</u>	£ <u>295,211</u>

19. Analysis of Cash Flows Netted in the Cash Flow Statement

Returns on investments and servicing of finance

	<u>2004</u>	<u>2003</u>
Interest received	13,728	7,245
Interest paid	(1,125)	(170)
	£ <u>12,603</u>	£ <u>7,075</u>

Capital Expenditure

Purchase of tangible fixed assets	(29,203)	(127,614)
Sale of tangible fixed assets	13,250	11,500
	£ <u>(15,953)</u>	£ <u>(116,114)</u>

Chambers Travel Management Limited

Financial Statements for the year ended 31st March 2004

Notes (Continued)

20. Analysis of Change in Net Funds

	At 1st April <u>2003</u>	<u>Cashflow</u>	At 31st March <u>2004</u>
Cash and cash deposits	£ 507,187	£ 144,762	£ 651,949

21. Related Party Transactions

During the year, the company disposed of a motor vehicle with a book value of £Nil to N. Foot, a director of the company for zero proceeds.