

**PHOENIX (McKECHNIE) TRAVEL LIMITED**  
**ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000**  
**Company Number 2821888**



**DIRECTORS AND OFFICERS**  
For the year ended 31 July 2000

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**DIRECTORS**

Mrs S E Beechey  
Mr S G Moberley  
Mr A J Walker  
Mr M L M Lancaster  
Mr J M Langley  
Mr M J Williamson

**SECRETARY**

Mr RE McDonald

**AUDITORS**

Ernst & Young  
Chartered Accountants  
Registered Auditor  
Birmingham

**DIRECTORS' REPORT**  
**For the year ended 31 July 2000**

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The Directors submit their report and the financial statements of Phoenix (McKechnie) Travel Limited for the year ended 31 July 2000.

**PRINCIPAL ACTIVITIES**

The principal activity of the Company is to act as travel agents. The Company has carried on this activity since incorporation on 26 May 1993.

**REVIEW OF THE BUSINESS**

The Directors consider that the Company's state of affairs is satisfactory and that future results will be of a similar nature.

**RESULTS AND DIVIDENDS**

The trading profit for the year after taxation was £2,251 (1999: £2,500), which was transferred to reserves. The Directors do not recommend the payment of a dividend (1999: nil).

**FIXED ASSETS**

Movements in Fixed Assets are shown in Note 5.

*continued overleaf*

**DIRECTORS' REPORT**  
**For the year ended 31 July 2000**

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**DIRECTORS**

The Directors of the Company during the year were:

Mrs S E Beechey

Mr S G Moberley

Mr A J Walker

Mr M L M Lancaster

Mr J M Langley

Mr M J Williamson

**DIRECTORS' INTERESTS IN SHARES**

No Director has any beneficial interest in the share capital of the Company.

**TAX STATUS**

The Directors consider that the Company is not a 'close Company' within the meaning of the Income and Corporation Taxes Act 1988.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

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Company law requires the Directors to prepare accounts 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;
- 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 accounts comply with the Companies Act. 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.

**AUDITORS**

A resolution to re-appoint Ernst & Young as auditors to the company, and for their remuneration to be fixed by the Directors will be submitted to the Annual General Meeting.

By order of the Board



Secretary

Date: 14 February 2001

**REPORT OF THE AUDITORS TO THE  
MEMBERS OF PHOENIX (McKECHNIE) TRAVEL LIMITED**

We have audited the Financial Statements on pages 5 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of Directors and Auditors**

As described on page 3 the company's Directors are responsible for the preparation of the Financial Statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit of those Financial Statements and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our professional ethical guidance.

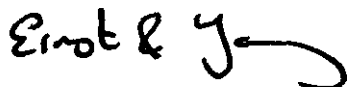
**Basis of Opinion**

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 of whether the 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 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 preparation of information in the amounts.

**Opinion**

In our opinion the Financial Statements give a true and fair view of the Company's affairs as at 31 July 2000 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Registered Auditor  
Birmingham

Date: 14 Februry 2001

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 July 2000**

	Notes	Continuing Operations Year Ended 31 July 2000 £	Continuing Operations Year Ended 31 July 1999 £
Turnover	1	1,428,541	1,493,202
Cost of Sales		1,317,759	1,366,887
<b>Gross Profit</b>		<u>110,782</u>	<u>126,315</u>
Interest Received		1,962	2,644
		<u>112,744</u>	<u>128,959</u>
Administrative Expenses		110,277	125,721
<b>Profit on Ordinary Activities Before Taxation</b>	2	<u>2,467</u>	<u>3,238</u>
Taxation	4	216	738
<b>Profit on Ordinary Activities After Taxation</b>		<u>2,251</u>	<u>2,500</u>
Retained Profit Brought Forward		18,724	16,224
<b>Retained Profit Carried Forward</b>		<u>20,975</u>	<u>18,724</u>

There are no Recognised Gains or Losses other than the profit of £2,467 for the year (1999 : £2,500).

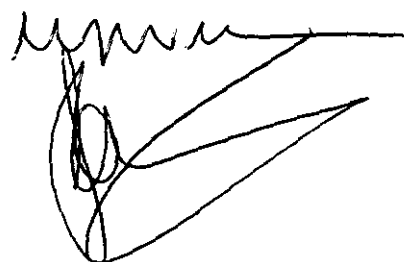
**BALANCE SHEET**  
**As at 31 July 2000**

	Notes	31 July 2000 £	31 July 1999 £
<b>Fixed Assets</b>	5	3,185	1,130
<b>Current Assets</b>			
Debtors	6	316,881	285,601
<b>Creditors : Amounts Falling Due Within One Year</b>	7	<u>274,091</u>	<u>243,007</u>
<b>Net Current Assets</b>		42,790	42,594
<b>Total Assets Less Current Liabilities</b>		<u>45,975</u>	<u>43,724</u>
<b>Capital and Reserves</b>			
Called Up Share Capital	8	25,000	25,000
Profit and Loss Account	11	20,975	18,724
		<u>45,975</u>	<u>43,724</u>

Approved by the Board of Directors on :

Director

Date



14 February 2001



**NOTES FORMING PART OF THE ACCOUNTS**  
**For the year ended 31 July 2000**

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**1. ACCOUNTING POLICIES**

The Financial Statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

**TURNOVER**

Turnover represents the amounts invoiced net of value added tax and is derived entirely from travel sales in the United Kingdom.

**DEPRECIATION**

Depreciation is calculated to write off the cost of fixed assets, by equal instalments over their expected useful lives at the following rates:

Furniture and fittings      10% per annum on cost

Office Equipment          20% per annum on cost

The carrying value of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying values may not be recoverable.

**DEFERRED TAXATION**

Deferred taxation is provided using the liability method on all timing differences, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

**CASH FLOW STATEMENT**

The Company falls into the small Company category, as defined by the Companies Act 1985 and is not therefore required to submit a cash flow statement.

**2. PROFIT BEFORE TAXATION**

The profit on ordinary activities is arrived at after charging:

	<b>Year Ended</b> <b>31 July 2000</b>	<b>Year Ended</b> <b>31 July 1999</b>
	<b>£</b>	<b>£</b>
Depreciation	1,555	1,438
Auditor's remuneration	1,250	1,250
Staff costs (Note 3)	38,357	35,428

**NOTES FORMING PART OF THE ACCOUNTS**  
**For the year ended 31 July 2000**

3.	Staff	Year Ended 31 July 2000	Year Ended 31 July 1999
	1) Total payroll costs :	£	£
	Salaries & Wages	35,461	32,139
	Social Security Costs	2,896	2,981
	Other Costs	0	308
		<u>38,357</u>	<u>35,428</u>
	2) The average number of persons employed by the company during the year was as follows:		
	Office & Management	<u>2</u>	<u>2</u>
	3) The directors received no remuneration for the year under review (1999 : Nil)		
4.	Taxation	Year Ended 31 July 2000	Year Ended 31 July 1999
	UK Corporation Tax :	£	£
	On the taxable profit for the year	216	738
		<u>216</u>	<u>738</u>

**NOTES FORMING PART OF THE ACCOUNTS**  
**For the year ended 31 July 2000**

5.	<b>Tangible Fixed Assets</b>	<b>Furniture &amp; Fittings</b>	<b>Office Equipment</b>	<b>Total</b>
		£	£	£
	<b>Cost :</b>			
	At 1 August 1999	853	11,805	12,658
	Additons	0	3,610	3,610
	At 31 July 2000	<u>853</u>	<u>15,415</u>	<u>16,268</u>
	<b>Depreciation :</b>			
	At 1 August 1999	467	11,061	11,528
	Charge for the Year	85	1,470	1,555
	At 31 July 2000	<u>552</u>	<u>12,531</u>	<u>13,083</u>
	<b>Net Book Value :</b>			
	As at 31 July 2000	<u>301</u>	<u>2,884</u>	<u>3,185</u>
	As at 31 July 1999	<u>386</u>	<u>744</u>	<u>1,130</u>
6.	<b>Debtors</b>	<b>31 July 2000</b>	<b>31 July 1999</b>	
		£	£	
	Due within one year :			
	Trade debtors	314,502	283,863	
	Other taxes	2,379	1,738	
		<u>316,881</u>	<u>285,601</u>	
7.	<b>Creditors</b>	<b>31 July 2000</b>	<b>31 July 1999</b>	
		£	£	
	Amounts falling due within one year :			
	Bank Overdraft	109,906	67,408	
	Trade creditors	100,463	97,045	
	Other creditors	1,000	1,000	
	Corporation Tax	216	738	
	Accruals	62,506	76,816	
		<u>274,091</u>	<u>243,007</u>	

**NOTES FORMING PART OF THE ACCOUNTS**  
**For the year ended 31 July 2000**

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**8. Share Capital**

Ordinary shares of £1 each at  
 31 July 2000 and 31 July 1999 :

	£	No.
Authorised	<u>25,000</u>	<u>25,000</u>
Allotted, called up and fully paid	<u>25,000</u>	<u>25,000</u>

**9. Capital Commitments**

The company had no capital commitments at 31 July 2000 (1999 : £nil)

**10. Contingent Liabilities**

The company had no contingent liabilities at 31 July 2000 (1999 : £nil)

**11. Reconciliation of Shareholders' Funds and Movements in Reserves**

	Share Capital	Profit & Loss Account	Total Shareholders' Funds
	£	£	£
At 1 August 1999	25,000	18,724	43,724
Profit for the Year	0	2,251	2,251
At 31 July 2000	<u>25,000</u>	<u>20,975</u>	<u>45,975</u>

**12. Related Party Transactions**

Included within turnover are sales of £1,389,501 to associated undertakings.

Amounts due to associated undertakings as at 31 July 2000 are £309,393 (1999: 283,863)