

Registration number 3900303

**Urbanbite Limited**

**Directors' report and financial statements**

**for the year ended 30 September 2002**



## Urbanbite Limited

### Company information

Directors	Brent Hoberman Martha Lane Fox David Howell
Secretary	Simon A Watkins
Company number	3900303
Registered office	4 Buckingham Gate London SW1E 6JP
Auditors	Ernst & Young LLP Becket House 1 Lambeth Palace Road London SE1 7EU

## Urbanbite Limited

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**Urbanbite Limited**

**Directors' report  
for the year ended 30 September 2002**

The directors present their report and the financial statements for the year ended 30 September 2002.

**Principal activity and review of the business**

The principal activity of the company during the period was as an online food ordering service.

The total transaction value and turnover increase during the year, and the Directors believe that this trend will continue.

**Dividends**

The directors do not recommend payment of a final dividend ( 2001: £Nil ).

**Directors and their interests**

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

Brent Hoberman

David S. Hickson - resigned 25 July 2001

Martha Lane Fox

The interests of the Directors in the ordinary shares of the parent company, with the exception of David S. Hickson, are provided in the Annual Report of Lastminute.com plc for the year ended 30th September 2002.

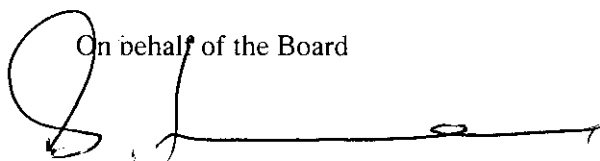
David S. Hickson has the following options, 1881 shares at 186 pence exercisable to the 29 August 2010 and 7,400 shares at 36.75 pence exercisable to the 23 November 2010.

On 29 July 2003, David Howell was appointed as a director.

**Auditors**

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

On behalf of the Board

A handwritten signature in black ink, appearing to be 'D. Howell', written over a horizontal line.

**David Howell  
Director**

Date: 30 July 2003

## **Urbanbite Limited**

### **Statement of Director's Responsibilities for the year ended 30 September 2003**

#### **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 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;
- 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 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.

## **Urbanbite Limited**

### **Independent auditors' report to the members of Urbanbite Limited**

We have audited the financial statements of Urbanbite Limited for the year ended 30 September 2002 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 16. These financial statements have been prepared on the basis of 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 shareholders 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 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.

**Urbanbite Limited**  
**Independent auditors' report to the members of Urbanbite Limited continued**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

**Ernst & Young LLP**  
**Registered auditors**

*30 July 2003*

**Becket House**  
**1 Lambeth Palace Road**  
**London**  
**SE1 7EU**

# Urbanbite Limited

## Profit and loss account for the year ended 30 September 2002

### Continuing operations

12 months ended 30th September <b>2002</b>	9 months ended 30th September <b>2001</b>
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	Notes	£	£
<i>Total Transaction Value (TTV) (1)</i>	2	374,140	147,831
<b>Turnover</b>	2	28,637	11,090
Administrative expenses		(292,576)	(568,571)
<b>Operating loss</b>	3	(263,939)	(557,481)
Other interest receivable and similar income	4	106	7,567
<b>Loss on ordinary activities before taxation</b>		(263,833)	(549,914)
Tax on loss on ordinary activities	6	-	-
<b>Loss for the year after taxation</b>		(263,833)	(549,914)
Accumulated loss brought forward		(1,188,180)	(638,267)
<b>Accumulated loss carried forward</b>		(1,452,013)	(1,188,181)

(1) TTV does not represent the Company's statutory turnover

### Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit or loss for the above two financial years.

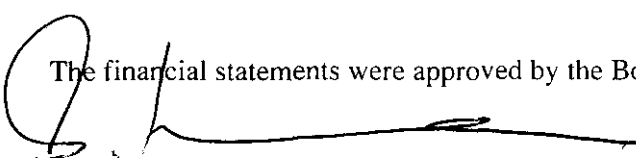


**Urbanbite Limited**

**Balance sheet  
as at 30 September 2002**

		2002		2001	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	7		10,516		52,552
Tangible assets	8		752		5,166
Investments	9		1		11,098
			<u>11,269</u>		<u>68,816</u>
<b>Current assets</b>					
Debtors	10	228,230		206,822	
Cash at bank and in hand		5,585		93,201	
		<u>233,815</u>		<u>300,023</u>	
<b>Creditors: amounts falling due within one year</b>	11	(251,710)		(111,633)	
<b>Net current (liabilities)/assets</b>			(17,895)		188,390
<b>Net (liabilities)/assets</b>			<u>(6,626)</u>		<u>257,206</u>
<b>Capital and reserves</b>					
Called up share capital	12		2,815		2,815
Share premium account	13		1,442,572		1,442,572
Profit and loss account	13		(1,452,013)		(1,188,181)
<b>Equity shareholders' funds</b>	14		<u>(6,626)</u>		<u>257,206</u>

The financial statements were approved by the Board on 30 July 2003 and signed on its behalf by

  
**David Howell**  
Director

## **Urbanbite Limited**

### **Notes to the financial statements for the year ended 30 September 2002**

#### **1. Accounting policies**

##### **1.1. Basis of preparation**

The financial statements of the Company are prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards and under the going concern basis as the Directors of the parent company, lastminute.com plc, have confirmed that lastminute.com plc will provide support to the Company in order that future obligations can be met as they fall due. The company has not prepared consolidated financial statements as the Company is a wholly owned subsidiary of a UK parent undertaking that prepares consolidated financial statements.

##### **1.2. Total transaction value (TTV)**

TTV, which is stated net of value added tax and associated taxes, does not represent the Company's statutory turnover. In the majority of transactions, where the Company acts as agent or cash collector, TTV represents the price at which goods and services have been sold across the Company's various platforms. In the other cases, for example the reservation of restaurant tables, a flat fee is earned irrespective of the value of goods or services. In such case TTV represents the flat fee commission earned.

##### **1.3. Turnover**

Turnover comprises the net value of commissions collected from sales to restaurants excluding value added tax.

In the majority of cases, the Company does not take ownership of the products or services being sold and acts as agent, receiving a commission from suppliers of the products or services being sold. In these cases, turnover represents commission earned less amounts due or paid on any commission shared. Turnover is recognised once charges to the customer's credit card have been made and is stated exclusive of value added tax and associated taxes.

##### **1.4. Goodwill**

Goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life.

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 3 years.

## Urbanbite Limited

### Notes to the financial statements for the year ended 30 September 2002

..... continued

#### 1.5. Tangible fixed assets and depreciation

Fixed assets are stated at cost. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each by equal annual instalment, asset over its expected useful life, as follows:

Plant and machinery	-	3 years straight line
Fixtures, fittings and equipment	-	3 years straight line

Repairs and maintenance costs are expensed as incurred.

#### 1.6. Leasing

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

#### 1.7. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only when their recovery is considered more likely than not and that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted. Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse.

#### 1.8. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

#### 2. Turnover and segmental analysis

The Company is engaged in the provision of ordering services to its customers via the internet. All of the company's total transaction value and turnover are generated from the United Kingdom within one segment.

**Urbanbite Limited**

**Notes to the financial statements  
for the year ended 30 September 2002**

..... continued

<b>3. Operating loss</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Operating loss is stated after charging:		
Amortisation of intangible fixed assets	42,036	60,955
Depreciation of tangible fixed assets	3,339	3,105
Provision for the diminution in value of fixed asset investments (note 9)	11,097	-
Operating lease rentals		
- Land and buildings	-	7,000
Auditors' remuneration	5,500	5,500
	<hr/>	<hr/>
and after crediting:		
Profit on disposal of tangible fixed assets	2,151	-
	<hr/>	<hr/>
<b>4. Interest receivable and similar income</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Bank interest	106	7,567
	<hr/>	<hr/>
<b>5. Employees</b>		
<b>Number of employees</b>	<b>2002</b>	<b>2001</b>
	<b>Number</b>	<b>Number</b>
The average monthly numbers of employees (including the directors) during the year were:	7	9
	<hr/>	<hr/>
<b>Employment costs</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Wages and salaries	159,499	227,476
Social security costs	15,934	22,383
	<hr/>	<hr/>
	175,433	249,859
	<hr/>	<hr/>
<b>Directors' emoluments</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	-	51,462
	<hr/>	<hr/>

# Urbanbite Limited

## Notes to the financial statements for the year ended 30 September 2002

..... continued

### 6. Tax on loss on ordinary activities

Analysis of charge in period	2002 £	2001 £
<b>Current tax</b>		
UK corporation tax	-	-
Total current tax charge	-	-
<b>Deferred tax</b>		
Timing differences, origination and reversal	-	-
Total deferred tax	-	-
Tax on loss on ordinary activities	-	-

### Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2002 £	2001 £
Loss on ordinary activities before taxation	(263,833)	(549,914)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 September 2001 : 30%)	(79,150)	(164,974)
<b>Effects of:</b>		
Expenses not deductible for tax purposes (primarily goodwill amortisation)	(15,938)	(18,286)
Capital allowances for period in excess of depreciation	(568)	(756)
Corporation tax losses not recognised as deferred tax asset	(62,644)	(145,932)
Current tax charge for period	-	-

**Urbanbite Limited**

**Notes to the financial statements  
for the year ended 30 September 2002**

..... continued

**7. Intangible fixed assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 October 2001	126,119
At 30 September 2002	126,119
<b>Amortisation</b>	
At 1 October 2001	73,567
Charge for year	42,036
At 30 September 2002	115,603
<b>Net book values</b>	
At 30 September 2002	10,516
At 30 September 2001	52,552

**8. Tangible fixed assets**

	<b>Plant and machinery £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 October 2001	7,230	5,177	12,407
Disposals	(2,216)	(1,010)	(3,226)
At 30 September 2002	5,014	4,167	9,181
<b>Depreciation</b>			
At 1 October 2001	4,219	3,022	7,241
Disposals	(1,477)	(674)	(2,151)
Charge for the year	1,863	1,476	3,339
At 30 September 2002	4,605	3,824	8,429
<b>Net book values</b>			
At 30 September 2002	409	343	752
At 30 September 2001	3,011	2,155	5,166

# Urbanbite Limited

## Notes to the financial statements for the year ended 30 September 2002

..... continued

9. Fixed asset investments	Subsidiary undertakings shares £
<b>Cost</b>	
At 1 October 2001 and At 30 September 2002	11,098
<b>Provisions for diminution in value:</b>	
Movement in year	11,097
At 30 September 2002	11,097
<b>Net book values</b>	
At 30 September 2002	1
At 30 September 2001	11,098

The company holds the share capital of the following company:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
<b>Subsidiary undertaking</b>				
Urbanbite B.V.	Netherlands	Dormant	Ordinary	100%

On 1 April 2002, the company's subsidiary Urbanbite B.V. transferred its trade and net assets to lastminute.com B.V. The transfer was effected at the market value of the net assets, which was assessed as £nil. The value of the investment that Urbanbite Limited holds in Urbanbite B.V. has been adjusted to reflect this diminution in value of the investments.

10. Debtors	2002 £	2001 £
Trade debtors	22,663	7,723
Amounts owed by other group companies	205,567	193,442
Other debtors	-	4,262
Prepayments and accrued income	-	1,395
	<u>228,230</u>	<u>206,822</u>

# Urbanbite Limited

## Notes to the financial statements for the year ended 30 September 2002

..... continued

<b>11. Creditors: amounts falling due within one year</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,515	6,673
Amounts owed to group undertaking	231,690	65,226
Other taxes and social security costs	272	15,275
Accruals and deferred income	18,233	24,459
	<u>251,710</u>	<u>111,633</u>
 <b>12. Share capital</b>	 <b>2002</b>	 <b>2001</b>
	<b>£</b>	<b>£</b>
<b>Authorised equity</b>		
40,000,000 Ordinary shares of £0.001 each	40,000	40,000
20,000,000 Non-voting ordinary shares of £0.001 each	20,000	20,000
40,000,000 Preferred ordinary shares of £0.001 each	40,000	40,000
	<u>100,000</u>	<u>100,000</u>
 <b>Allotted, called up and fully paid equity</b>		
2,055,000 Ordinary shares of £0.001 each	2,055	2,055
113,000 Non-voting ordinary shares of £0.001 each	113	113
647,000 Preferred ordinary shares of £0.001 each	647	647
	<u>2,815</u>	<u>2,815</u>

On the return of assets on liquidation or otherwise, the assets of the company remaining after payment of its liabilities shall be applied first in paying the holders of Preferred ordinary shares their par value together with any premium paid thereon on issue.

Apart from the aforementioned treatment of Preferred ordinary shareholders, each class of share will be entitled to equal rights thereafter on the distribution of any remaining assets.



# Urbanbite Limited

## Notes to the financial statements for the year ended 30 September 2002

..... continued

13. Equity Reserves	Share premium account £	Profit and loss account £	Total £
At 1 October 2001	1,442,572	(1,188,180)	254,392
Loss for the year		(263,833)	(263,833)
At 30 September 2002	<u>1,442,572</u>	<u>(1,452,013)</u>	<u>(9,441)</u>
14. Reconciliation of movements in shareholders' funds		2002 £	2001 £
Loss for the year		(263,833)	(549,914)
Opening shareholders' funds		257,207	807,120
Closing shareholders' funds		<u>(6,626)</u>	<u>257,206</u>

### 15. Related party transactions

The company has taken the advantage of the exemptions in paragraph 3 (c) of FRS 8 from disclosing transactions with related parties that are part of the lastminute.com plc Group or investees of the Group.

### 16. Ultimate parent undertaking and controlling party

The company's ultimate parent and controlling company, and largest company in which the Company's results are consolidated, is lastminute.com plc, registered in England and Wales.

The consolidated accounts of lastminute.com plc are available to the public and may be obtained from:  
The Secretary  
lastminute.com plc  
4 Buckingham Gate  
London SW1E 6JP