

Registered number  
4110112

Travelbargains Limited

Report and Accounts

31 October 2001

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**Travelbargains Limited**  
**Report and accounts**  
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**Travelbargains Limited**  
**Company Information**

**Directors**

Ian Brooks  
John Kent

**Secretary**

Ian Brooks

**Auditors**

White Hart Associates  
East House  
109 South Worple Way  
London SW14 8TN

**Bankers**

Lloyds TSB  
39 Threadneedle Street  
London EC2R 8AU

EFG Eurobank Ergasias  
108 Wigmore Street  
London W1H 0LB

**Solicitors**

Xenophon Protopapas  
Queens House  
180 Tottenham Court Road  
London W1T 7PD

**Registered office**

East House  
109 South Worple Way  
London SW14 8TN

**Registered number**

4110112

## **Travelbargains Limited**

### **Directors' Report**

The directors present their report and accounts for the period ended 31 October 2001.

#### **Principal activities and review of the business**

The company's principal activity during the year continued to be that of ABTA retail travel agents.

The company has traded well in its initial year of operation particularly bearing in mind the industry difficulties that occurred as a result of the regrettable events of 11 September 2001. The directors feel that the company is in a good position to take advantage of any opportunities which may arise in the future.

#### **Future developments**

The directors aim to maintain the management policies which have resulted in the company's substantial growth in the first trading period. They consider that the next year will show a further controlled growth in sales.

#### **Directors**

The directors who served during the period and their interests in the share capital of the company were as follows:

#### **£1 Ordinary shares 2001**

John Kent	-
Ian Brooks	-

#### **Directors' responsibilities**

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 for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 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.

#### **Auditors**

A resolution to reappoint White Hart Associates as auditors will be put to the member at the Annual General Meeting.

This report was approved by the board on 31 March 2002.



**Ian Brooks**  
**Director/Secretary**

## **Travelbargains Limited**

### **Independent auditors' report to the shareholder of Travelbargains Limited**

We have audited the accounts of Travelbargains Limited for the period ended 31 October 2001 which comprise pages 4 to 12. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

#### **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 accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the accounts 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 accounts, 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

#### **Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 October 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**White Hart Associates**

**Registered auditors**

East House

109 South Worple Way

London SW14 8TN

**31 March 2002**

**Travelbargains Limited**  
**Profit and Loss Account**  
for the period from 17 November 2000 to 31 October 2001

	Notes	2001 £000
<b>Turnover</b>	2	19,030
Cost of sales		(16,036)
<b>Gross profit</b>		<u>2,994</u>
Distribution costs		(642)
Administrative expenses		(2,347)
Other operating income		33
<b>Operating profit</b>	3	<u>38</u>
Interest receivable		16
Interest payable	6	(4)
<b>Profit on ordinary activities before taxation</b>		<u>50</u>
Tax on profit on ordinary activities	7	(11)
<b>Profit for the period</b>		<u>39</u>
<b>Retained profit for the period</b>	15	<u>39</u>

**Continuing operations**

None of the company's activities were acquired or discontinued during the above period.

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the profit for the above period.

**Travelbargains Limited**  
**Balance Sheet**  
**as at 31 October 2001**

	Notes	2001 £000
<b>Fixed assets</b>		
Tangible assets	8	495
<b>Current assets</b>		
Debtors	9	739
Cash at bank and in hand		317
		<u>1,056</u>
<b>Creditors: amounts falling due within one year</b>	10	(1,173)
<b>Net current liabilities</b>		<u>(117)</u>
<b>Total assets less current liabilities</b>		<u>378</u>
<b>Creditors: amounts falling due after more than one year</b>	11	(278)
<b>Provisions for liabilities and charges</b>		
Deferred taxation	13	(11)
Other provisions		-
		<u>89</u>
<b>Capital and reserves</b>		
Called up share capital	14	50
Profit and loss account	15	39
Shareholder's funds:		
Equity		<u>89</u>
	16	<u>89</u>

**John Kent**  
**Director**



**Approved by the board on 31 March 2002**

**Travelbargains Limited**  
**Cash Flow Statement**  
**for the period from 17 November 2000 to 31 October 2001**

	<b>Notes</b>	<b>2001 £000</b>
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>		
Operating profit		38
Depreciation charges		83
Increase in debtors		(739)
Increase in creditors		1,401
<b>Net cash inflow from operating activities</b>		<u>783</u>
<b>CASH FLOW STATEMENT</b>		
<b>Net cash inflow from operating activities</b>		783
<b>Returns on investments and servicing of finance</b>	17	12
<b>Capital expenditure</b>	17	<u>(578)</u> 217
<b>Financing</b>	17	100
<b>Increase in cash</b>		<u>317</u>
<b>Reconciliation of net cash flow to movement in net debt</b>		
<b>Increase in cash in the period</b>		317
Increase in debt and lease financing		(50)
<b>Change in net debt</b>	18	<u>267</u>
<b>Net funds at 17 November</b>		<u>-</u>
<b>Net funds at 31 October</b>		<u>267</u>

**Travelbargains Limited**  
**Notes to the Accounts**  
**for the period from 17 November 2000 to 31 October 2001**

**1 Accounting policies**

***Accounting convention***

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

***Depreciation***

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	25%, 20% and 15% straight line basis
Computer software	over 3 years

***Stocks***

Stock is valued at the lower of cost and net realisable value.

***Deferred taxation***

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition in a tax computation.

Assets and liabilities are calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

***Pensions***

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**Travelbargains Limited**  
**Notes to the Accounts**  
**for the period from 17 November 2000 to 31 October 2001**

**2 Turnover**

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts recognised on the date of booking basis.

Turnover is attributable to one continuing activity.

**3 Operating profit** **2001**  
**£000**

This is stated after charging:

Depreciation of owned fixed assets	32
Depreciation of assets held under finance leases and hire purchase contracts	18
Auditors' remuneration	<u>10</u>

**4 Directors' emoluments** **2001**  
**£000**

Emoluments	166
Company contributions to money purchase pension schemes	<u>9</u>
	<u>175</u>

**Number of directors in company pension schemes:** **2001**  
**Number**

Money purchase schemes	<u>2</u>
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**5 Staff costs** **2001**  
**£000**

Wages and salaries	1,349
Social security costs	140
Other pension costs	<u>15</u>
	<u>1,504</u>

**6 Interest payable** **2001**  
**£000**

Finance charges payable under finance leases and hire purchase contracts	<u>4</u>
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**Travelbargains Limited**  
**Notes to the Accounts**  
**for the period from 17 November 2000 to 31 October 2001**

<b>7 Taxation</b>	<b>2001</b>
	<b>£000</b>
<b>Analysis of charge in period</b>	
Deferred tax:	
Origination and reversal of timing differences	11
	<hr/>
Tax on profit on ordinary activities	11
	<hr/>

<b>8 Tangible fixed assets</b>	<b>Computer software</b>	<b>Plant and machinery</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost</b>			
Additions	50	528	578
At 31 October 2001	<hr/> 50	<hr/> 528	<hr/> 578
<b>Depreciation</b>			
Charge for the period	17	66	83
At 31 October 2001	<hr/> 17	<hr/> 66	<hr/> 83
<b>Net book value</b>			
At 31 October 2001	<hr/> 33	<hr/> 462	<hr/> 495

	<b>2001</b>
	<b>£000</b>
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	
	<hr/> 63

<b>9 Debtors</b>	<b>2001</b>
	<b>£000</b>
Trade debtors	532
Other debtors	51
Prepayments and accrued income	156
	<hr/> 739

<b>10 Creditors: amounts falling due within one year</b>	<b>2001</b>
	<b>£000</b>
Obligations under finance lease and hire purchase contracts	22
Trade creditors	989
Other taxes and social security costs	152
Accruals and deferred income	10
	<hr/> 1,173

**Travelbargains Limited**  
**Notes to the Accounts**  
**for the period from 17 November 2000 to 31 October 2001**

<b>11 Creditors: amounts falling due after one year</b>	<b>2001</b>
	<b>£000</b>
Obligations under finance lease and hire purchase contracts	28
Amounts owed to group undertakings and undertakings in which the company has a participating interest	250
	<u>278</u>

The above loan is subject to a subordinated undertaking given to the Association of British Travel Agents Limited (ABTA) in connection with the company's ABTA membership and cannot be repaid without the prior written consent of ABTA and in any event not before 31 December 2003.

<b>12 Obligations under finance leases and hire purchase contracts</b>	<b>2001</b>
	<b>£000</b>
Amounts payable:	
Within one year	22
Within two to five years	28
	<u>50</u>

<b>13 Deferred taxation</b>	<b>2001</b>
	<b>£000</b>
Accelerated capital allowances	11
Undiscounted provision for deferred tax	11
	<u>22</u>
	<b>2001</b>
	<b>£000</b>
Deferred tax charge in profit and loss account	11
At 31 October	<u>11</u>

**Travelbargains Limited**  
**Notes to the Accounts**  
**for the period from 17 November 2000 to 31 October 2001**

<b>14 Share capital</b>		<b>2001</b>
		<b>£000</b>
Authorised:		
Ordinary shares of £1 each		<u>50</u>
	<b>2001</b>	<b>2001</b>
	<b>No</b>	<b>£000</b>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	50,000	<u>50</u>
<b>Movement in share capital</b>		<b>2001</b>
		<b>£000</b>
Shares issued		50
At 31 October		<u>50</u>
<b>15 Profit and loss account</b>		<b>2001</b>
		<b>£000</b>
Retained profit		39
At 31 October		<u>39</u>
<b>16 Reconciliation of movement in shareholder's funds</b>		<b>2001</b>
		<b>£000</b>
Profit for the financial period		39
Shares issued		50
At 31 October		<u>89</u>
<b>17 Gross cash flows</b>		<b>2001</b>
		<b>£000</b>
<b>Returns on investments and servicing of finance</b>		
Interest received		16
Interest element of finance lease rental payments		<u>(4)</u>
		<u>12</u>
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets		<u>(578)</u>
<b>Financing</b>		
Issue of share capital		50
Capital element of finance lease rental payments		<u>50</u>
		<u>100</u>

**Travelbargains Limited****Notes to the Accounts****for the period from 17 November 2000 to 31 October 2001****18 Analysis of changes in net debt**

	At 17 Nov 2000 £000	Cash flows £000	Non-cash changes £000	At 31 Oct 2001 £000
Cash at bank and in hand	-	317		317
Finance leases	-	(50)		(50)
Total	-	267	-	267

**19 Other financial commitments**

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2001 £000	Other 2001 £000
Operating leases which expire: within two to five years	151	39

**20 Contingent liabilities**

At 31 October 2001, there were contingent liabilities outstanding in respect of counter indemnities and guarantees given by the company, in the normal course of business, to the company's bond insurance obligors in respect of the Association of British Travel Agents Limited (ABTA) travel bond, amounting to £224,730 and Barclays Merchant Services bond in the sum of £100,000. The ABTA bond was increased on 31 January 2002 to £342,125.

**21 Holding company**

The immediate holding company is Allerton Investments Limited, a company incorporated in the Republic of Cyprus.