

**HAGGIS BACKPACKERS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31ST DECEMBER 2001**

**Company Registration Number SC136334**



**HARGREAVES, BROWN & BENSON**  
*Chartered Accountants & Registered Auditors*  
2 Derby Street  
Colne  
Lancashire

# HAGGIS BACKPACKERS LIMITED

## FINANCIAL STATEMENTS

PERIOD FROM 1ST OCTOBER 2000 TO 31ST DECEMBER 2001

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# HAGGIS BACKPACKERS LIMITED

## THE DIRECTORS' REPORT

PERIOD FROM 1ST OCTOBER 2000 TO 31ST DECEMBER 2001

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The directors have pleasure in presenting their report and the financial statements of the company for the period from 1st October 2000 to 31st December 2001.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company and its subsidiaries during the period were the operation of coach tours, tourist accommodation and licensed premises.

Both the level of business and the year end financial position of the company and its subsidiaries were satisfactory and the directors expect that the present level of activity will be maintained for the foreseeable future.

### RESULTS AND DIVIDENDS

The trading results for the period, and the company's financial position at the end of the period are shown in the attached financial statements.

The directors have not recommended a dividend.

### THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

|               |                                    | <b>Ordinary Shares of £1 each</b> |   |
|---------------|------------------------------------|-----------------------------------|---|
|               |                                    | <b>At 31 December 2001</b>        | <b>At 1 October 2000<br/>or later date<br/>of appointment</b> |
| A M Campbell  |                                    | <b>1,510</b>                      | <b>6,040</b>  |
| D. D. Hosking | <b>(Appointed 19 January 2001)</b> | -                                 | -   |
| M. A. Ness    | <b>(Appointed 19 January 2001)</b> | -                                 | -   |
| D M Campbell  | <b>(Retired 19 January 2001)</b>   |                                   |   |
| N S Campbell  | <b>(Retired 19 January 2001)</b>   |                                   |   |

### DIRECTORS' 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 at the end of the period and of the profit or loss for the period then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 6 to 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

# HAGGIS BACKPACKERS LIMITED

## THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1ST OCTOBER 2000 TO 31ST DECEMBER 2001

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### AUDITORS

A resolution to re-appoint Hargreaves, Brown & Benson as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



D. I. D. HOWIE  
Company Secretary

Approved by the directors on 23<sup>rd</sup> August 2002.

# HAGGIS BACKPACKERS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

PERIOD FROM 1ST OCTOBER 2000 TO 31ST DECEMBER 2001

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We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 6 to 7.

### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 31st December 2001 and of the loss of the company for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

2 Derby Street  
Colne  
Lancashire  
BB8 9AD

  
HARGREAVES, BROWN & BENSON  
Chartered Accountants  
& Registered Auditors

30<sup>th</sup> August 2002.

# HAGGIS BACKPACKERS LIMITED

## PROFIT AND LOSS ACCOUNT

PERIOD FROM 1ST OCTOBER 2000 TO 31ST DECEMBER 2001

|  | Note     | Period to<br>31 Dec 01<br>£ | Year to<br>30 Sep 00<br>£ |
|--|----------|-----------------------------|---------------------------|
| <b>TURNOVER</b>                                      | <b>2</b> | <b>1,782,828</b>            | <b>1,541,201</b>          |
| Cost of sales  |          | <u>689,623</u>              | <u>451,289</u>            |
| <b>GROSS PROFIT</b>                                  |          | <b>1,093,205</b>            | <b>1,089,912</b>          |
| Administrative expenses                              |          | <u>961,153</u>              | <u>999,243</u>            |
| <b>OPERATING PROFIT</b>                              | <b>3</b> | <b>132,052</b>              | <b>90,669</b>             |
| Interest payable and similar charges                 | <b>6</b> | <b>88,953</b>               | <b>76,351</b>             |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |          | <u><b>43,099</b></u>        | <u><b>14,318</b></u>      |
| Tax on profit on ordinary activities                 | <b>7</b> | <b>(100,033)</b>            | <b>(26,024)</b>           |
| <b>LOSS FOR THE FINANCIAL PERIOD</b>                 |          | <u><b>(56,934)</b></u>      | <u><b>(11,706)</b></u>    |

The company has no recognised gains or losses other than the results for the period as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 6 to 14 form part of these financial statements.

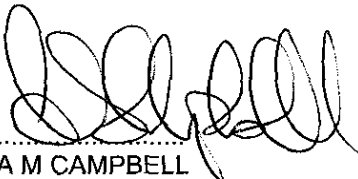
# HAGGIS BACKPACKERS LIMITED

## BALANCE SHEET

31ST DECEMBER 2001

|  | Note | 31 Dec 01<br>£ | £              | 30 Sep 00<br>£ | £              |
|--|------|----------------|----------------|----------------|----------------|
| <b>FIXED ASSETS</b>  |      |                |                |                |                |
| Tangible assets  | 8    | 685,740        |                | 914,497        |                |
| Investments  | 9    | 250,330        |                | 10             |                |
|  |      | <u>936,070</u> |                | <u>914,507</u> |                |
| <b>CURRENT ASSETS</b>  |      |                |                |                |                |
| Stocks   | 10   | 3,781          |                | 3,895          |                |
| Debtors  | 11   | 335,064        |                | 359,754        |                |
| Cash at bank and in hand                                       |      | 193,951        |                | 59,004         |                |
|  |      | <u>532,796</u> |                | <u>422,653</u> |                |
| <b>CREDITORS: Amounts falling due within one year</b>          | 12   | (850,988)      |                | (489,045)      |                |
| <b>NET CURRENT LIABILITIES</b>                                 |      |                | (318,192)      |                | (66,392)       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |                | 617,878        |                | 848,115        |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 13   |                | (245,672)      |                | (494,668)      |
|  |      |                | <u>372,206</u> |                | <u>353,447</u> |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>                  |      |                |                |                |                |
| Deferred taxation  | 14   |                | (86,693)       |                | (11,000)       |
|  |      |                | <u>285,513</u> |                | <u>342,447</u> |
| <b>CAPITAL AND RESERVES</b>                                    |      |                |                |                |                |
| Called-up equity share capital                                 | 20   | 15,100         |                | 15,100         |                |
| Profit and Loss Account  | 21   | 270,413        |                | 327,347        |                |
| <b>SHAREHOLDERS' FUNDS</b>                                     | 22   | <u>285,513</u> |                | <u>342,447</u> |                |

These financial statements were approved by the directors on the 23<sup>rd</sup> August 2002 and are signed on their behalf by:

  
A M CAMPBELL

The notes on pages 6 to 14 form part of these financial statements.

# HAGGIS BACKPACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST OCTOBER 2000 TO 31ST DECEMBER 2001

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### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

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

The accounts present information about the company as an individual undertaking and not about its group.

#### **Turnover**

The turnover shown in the Profit and Loss Account is the amount derived from ordinary activities, and is stated after trade discounts and other sales taxes, and is net of VAT.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

|                    |                    |
|--------------------|--------------------|
| Leasehold Property | - over 18 years    |
| Plant & Machinery  | - over 3 - 5 years |
| Motor Vehicles     | - over 5 years     |

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account at a constant rate of charge on the balance of capital repayments outstanding.

#### **Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.



# HAGGIS BACKPACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST OCTOBER 2000 TO 31ST DECEMBER 2001

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### 1. ACCOUNTING POLICIES *(continued)*

#### Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

#### Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### Group financial statements

The company has taken advantage of the exemption in the Companies Act 1985 Section 228 not to prepare group financial statements, as its intermediate parent undertaking, Insight Group Limited, a company registered in England and Wales, prepares consolidated financial statements.

### 2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

|                | Period to<br>31 Dec 01<br>£ | Year to<br>30 Sep 00<br>£ |
|----------------|-----------------------------|---------------------------|
| United Kingdom | <u>1,782,828</u>            | <u>1,541,201</u>          |

### 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

|  | Period to<br>31 Dec 01<br>£ | Year to<br>30 Sep 00<br>£ |
|--|-----------------------------|---------------------------|
| Depreciation                             | 178,879                     | 142,376                   |
| Loss on disposal of fixed assets         | 5,183                       | 15,923                    |
| Auditors' remuneration                   |                             |                           |
| - as auditors                            | 4,500                       | 4,500                     |
| - taxation                               | 300                         | 2,500                     |
| Operating lease costs:                   |                             |                           |
| Land and buildings                       | 35,431                      | 31,407                    |
| Plant and equipment                      | 2,968                       | -                         |
| Net loss on foreign currency translation | <u>6,474</u>                | <u>-</u>                  |

# HAGGIS BACKPACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST OCTOBER 2000 TO 31ST DECEMBER 2001

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to:

|                                | Period to<br>31 Dec 01 | Year to<br>30 Sep 00 |
|--------------------------------|------------------------|----------------------|
|                                | No.                    | No.                  |
| Number of administrative staff | 4                      | 5                    |
| Number of sales staff          | 7                      | 9                    |
| Number of drivers              | 20                     | 25                   |
|                                | <u>31</u>              | <u>39</u>            |

The aggregate payroll costs of the above were:

|                       | Period to<br>31 Dec 01 | Year to<br>30 Sep 00 |
|-----------------------|------------------------|----------------------|
|                       | £                      | £                    |
| Wages and salaries    | 635,167                | 564,670              |
| Social security costs | 57,691                 | 41,053               |
|                       | <u>692,858</u>         | <u>605,723</u>       |

### 5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

|                       | Period to<br>31 Dec 01 | Year to<br>30 Sep 00 |
|-----------------------|------------------------|----------------------|
|                       | £                      | £                    |
| Emoluments receivable | <u>72,684</u>          | <u>119,010</u>       |

The number of directors who are accruing benefits under company pension schemes were as follows:

|                        | Period to<br>31 Dec 01 | Year to<br>30 Sep 00 |
|------------------------|------------------------|----------------------|
|                        | No.                    | No.                  |
| Money purchase schemes | <u>1</u>               | <u>3</u>             |

No premiums were paid to the scheme during this period or the previous year.

### 6. INTEREST PAYABLE

|                                    | Period to<br>31 Dec 01 | Year to<br>30 Sep 00 |
|------------------------------------|------------------------|----------------------|
|                                    | £                      | £                    |
| Interest payable on bank borrowing | 4,690                  | 13,381               |
| Finance charges                    | 55,065                 | 62,970               |
| Other similar charges payable      | 29,198                 | -                    |
|                                    | <u>88,953</u>          | <u>76,351</u>        |

Interest paid to group undertakings amounted to £26,477 (2000 - £-).

# HAGGIS BACKPACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST OCTOBER 2000 TO 31ST DECEMBER 2001

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

|  | Period to<br>31 Dec 01<br>£ | Year to<br>30 Sep 00<br>£ |
|--|-----------------------------|---------------------------|
| In respect of the period:  |                             |                           |
| Corporation Tax based on the results for the period<br>at 30% (2000 - 20%) | 28,340                      | 4,000                     |
| Increase in deferred tax provision (Note 14):                              |                             |                           |
| Capital allowances   | 75,693                      | 11,000                    |
|  | <u>104,033</u>              | <u>15,000</u>             |
| Adjustment in respect of previous years:                                   |                             |                           |
| Corporation Tax  | (4,000)                     | 11,024                    |
|  | <u>100,033</u>              | <u>26,024</u>             |

### 8. TANGIBLE FIXED ASSETS

|                              | Short<br>Leasehold<br>Property<br>£ | Plant &<br>Machinery<br>£ | Motor<br>Vehicles<br>£ | Total<br>£       |
|------------------------------|-------------------------------------|---------------------------|------------------------|------------------|
| <b>COST</b>                  |                                     |                           |                        |                  |
| At 1st October 2000          | 25,000                              | 169,913                   | 998,484                | 1,193,397        |
| Additions                    | -                                   | 8,480                     | -                      | 8,480            |
| Disposals                    | -                                   | (6,533)                   | (101,750)              | (108,283)        |
| <b>At 31st December 2001</b> | <u>25,000</u>                       | <u>171,860</u>            | <u>896,734</u>         | <u>1,093,594</u> |
| <b>DEPRECIATION</b>          |                                     |                           |                        |                  |
| At 1st October 2000          | 2,775                               | 116,716                   | 159,409                | 278,900          |
| Charge for the period        | 1,735                               | 27,844                    | 149,300                | 178,879          |
| On disposals                 | -                                   | (6,533)                   | (43,392)               | (49,925)         |
| <b>At 31st December 2001</b> | <u>4,510</u>                        | <u>138,027</u>            | <u>265,317</u>         | <u>407,854</u>   |
| <b>NET BOOK VALUE</b>        |                                     |                           |                        |                  |
| <b>At 31st December 2001</b> | <u>20,490</u>                       | <u>33,833</u>             | <u>631,417</u>         | <u>685,740</u>   |
| At 30th September 2000       | <u>22,225</u>                       | <u>53,197</u>             | <u>839,075</u>         | <u>914,497</u>   |

#### Finance lease and similar agreements

Included within the net book value of £685,740 is £633,094 (2000 - £839,681) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the period in respect of such assets amounted to £134,900 (2000 - £114,896).

# HAGGIS BACKPACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST OCTOBER 2000 TO 31ST DECEMBER 2001

### 9. INVESTMENTS

#### Investments in subsidiary undertakings

|  | £              |
|--|----------------|
| <b>COST</b>                                |                |
| At 1st October 2000 and 31st December 2001 | <u>10</u>      |
| <b>LOANS</b>                               |                |
| Advanced in period                         | 250,320        |
| At 31st December 2001                      | <u>250,320</u> |
| <b>NET BOOK VALUE</b>                      |                |
| At 31st December 2001                      | <u>250,330</u> |
| At 30th September 2000                     | <u>10</u>      |

Details of subsidiary undertakings at the balance sheet date are as follows:

The company owns 100% of the issued share capital of the companies listed below. The two companies marked with an asterisk are accommodation providers and tour operators respectively. The remaining two companies are dormant.

| Name of company                | Country of incorporation |
|--------------------------------|--------------------------|
| *Neviscastle Limited           | Scotland                 |
| *Blarney Bus Limited           | Ireland                  |
| Radical Travel Limited         | Scotland                 |
| Radical Travel Network Limited | Scotland                 |

### 10. STOCKS

|       | 31 Dec 01    | 30 Sep 00    |
|-------|--------------|--------------|
|       | £            | £            |
| Stock | <u>3,781</u> | <u>3,895</u> |

### 11. DEBTORS

|                                    | 31 Dec 01      | 30 Sep 00      |
|------------------------------------|----------------|----------------|
|                                    | £              | £              |
| Trade debtors                      | 28,976         | 110,751        |
| Amounts owed by group undertakings | 269,909        | 229,233        |
| Other debtors                      | 8,448          | 3,671          |
| Prepayments and accrued income     | 27,731         | 16,099         |
|                                    | <u>335,064</u> | <u>359,754</u> |

# HAGGIS BACKPACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST OCTOBER 2000 TO 31ST DECEMBER 2001

### 12. CREDITORS: Amounts falling due within one year

|   | 31 Dec 01      | 30 Sep 00      |
|---|----------------|----------------|
|   | £              | £              |
| Bank loans and overdrafts                               | 5,700          | 10,498         |
| Trade creditors   | 35,440         | 85,061         |
| Amounts owed to group undertakings                      | 477,458        | -              |
| Other creditors including taxation and social security: |                |                |
| Corporation Tax   | 39,364         | 14,999         |
| PAYE and social security                                | 12,277         | 22,919         |
| VAT   | 35,851         | 11,992         |
| Finance leases and similar agreements                   | 184,467        | 209,533        |
| Other creditors   | -              | 33,936         |
|   | <u>271,959</u> | <u>293,379</u> |
| Accruals and deferred income                            | 60,431         | 100,107        |
|   | <u>850,988</u> | <u>489,045</u> |

The following liabilities disclosed under creditors falling due within one year are secured by the company:

|                           | 31 Dec 01    | 30 Sep 00     |
|---------------------------|--------------|---------------|
|                           | £            | £             |
| Bank loans and overdrafts | <u>5,700</u> | <u>10,498</u> |

### 13. CREDITORS: Amounts falling due after more than one year

|                                       | 31 Dec 01      | 30 Sep 00      |
|---------------------------------------|----------------|----------------|
|                                       | £              | £              |
| Bank loans and overdrafts             | 13,819         | 18,421         |
| Other creditors including:            |                |                |
| Finance leases and similar agreements | 231,853        | 476,247        |
|                                       | <u>245,672</u> | <u>494,668</u> |

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

|                           | 31 Dec 01     | 30 Sep 00     |
|---------------------------|---------------|---------------|
|                           | £             | £             |
| Bank loans and overdrafts | <u>13,819</u> | <u>18,421</u> |

The bank loan, which totals £19,519, and is repayable by instalments is secured by a floating charge over the company's assets, and by cross guarantees from its subsidiaries.

# HAGGIS BACKPACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST OCTOBER 2000 TO 31ST DECEMBER 2001

### 14. DEFERRED TAXATION

|  | Period to<br>31 Dec 01<br>£ | Year to<br>30 Sep 00<br>£ |
|--|-----------------------------|---------------------------|
| The movement in the deferred taxation provision during the period was: |                             |                           |
| Provision brought forward  | 11,000                      | -                         |
| Increase in provision  | 75,693                      | 11,000                    |
| Provision carried forward  | <u>86,693</u>               | <u>11,000</u>             |

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

|   | 31 Dec 01     |                 | 30 Sep 00     |                 |
|---|---------------|-----------------|---------------|-----------------|
|   | Provided<br>£ | Unprovided<br>£ | Provided<br>£ | Unprovided<br>£ |
| Excess of taxation allowances over depreciation on fixed assets | 86,693        | -               | 11,000        | 63,046          |
| Other timing differences  | -             | -               | -             | (650)           |
|   | <u>86,693</u> | <u>-</u>        | <u>11,000</u> | <u>62,396</u>   |

### 15. COMMITMENTS UNDER FINANCE LEASES AND SIMILAR AGREEMENTS

Future commitments under finance leases and similar agreements are as follows:

|   | 31 Dec 01<br>£ | 30 Sep 00<br>£ |
|---|----------------|----------------|
| Amounts payable within 1 year           | 184,467        | 209,533        |
| Amounts payable between 2 to 5 years    | 222,313        | 387,688        |
| Amounts payable after more than 5 years | 9,540          | 88,559         |
|   | <u>416,320</u> | <u>685,780</u> |

Hire purchase creditors due outside five years comprise one fixed rate agreement and one variable rate agreement Both are repayable in equal annual instalments, paid on a monthly basis, which include both interest and capital. The interest rate on the variable rate agreement is 1.5% above base rate, and that on the fixed rate agreement is approximately 10%. The total amount due under hire purchase and finance lease agreements is secured by the related leased assets.

### 16. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2001 the company had annual commitments under non-cancellable operating leases as set out below.

|                                | 31 Dec 01             |                  | 30 Sep 00             |                  |
|--------------------------------|-----------------------|------------------|-----------------------|------------------|
|                                | Land & Buildings<br>£ | Other Items<br>£ | Land & Buildings<br>£ | Other Items<br>£ |
| Operating leases which expire: |                       |                  |                       |                  |
| Within 1 year                  | 1,035                 | -                | -                     | -                |
| Within 2 to 5 years            | 12,800                | 2,446            | 20,451                | -                |
| After more than 5 years        | 12,000                | -                | 12,000                | -                |
|                                | <u>25,835</u>         | <u>2,446</u>     | <u>32,451</u>         | <u>-</u>         |

# HAGGIS BACKPACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST OCTOBER 2000 TO 31ST DECEMBER 2001

### 17. CONTINGENCIES

The company is party to cross guarantees given to Clydesdale Bank PLC, in respect of facilities granted to itself, and two subsidiaries. No liabilities are expected to arise and no provisions have been included in the accounts of the company.

### 18. TRANSACTIONS WITH THE DIRECTORS

At the commencement of the period the director Mr. A M Campbell owed £9,752 to the company, which was repaid by November 16th 2000. Amounts owing to directors were all repaid on February 13th 2001.

### 19. RELATED PARTY TRANSACTIONS

Advantage is taken of the exemption from disclosure of transactions and balances with entities that are part of the group, as the company is included in the publicly available consolidated financial statements of Insight Group Limited.

### 20. SHARE CAPITAL

#### Authorised share capital:

|                                      | 31 Dec 01     | 30 Sep 00     |
|--------------------------------------|---------------|---------------|
|                                      | £             | £             |
| 50,000 Ordinary shares of £1.00 each | <u>50,000</u> | <u>50,000</u> |

#### Allotted, called up and fully paid:

|                        | 31 Dec 01     | 30 Sep 00     |
|------------------------|---------------|---------------|
|                        | £             | £             |
| Ordinary share capital | <u>15,100</u> | <u>15,100</u> |

### 21. PROFIT AND LOSS ACCOUNT

|  | Period to<br>31 Dec 01 | Year to<br>30 Sep 00 |
|--|------------------------|----------------------|
|  | £                      | £                    |
| Balance brought forward                | 327,347                | 277,040              |
| Retained loss for the financial period | (56,934)               | (11,706)             |
| Transfer from revaluation reserve      | -                      | 62,013               |
| Balance carried forward                | <u>270,413</u>         | <u>327,347</u>       |

### 22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|                                    | 31 Dec 01      | 30 Sep 00      |
|------------------------------------|----------------|----------------|
|                                    | £              | £              |
| Loss for the financial period      | (56,934)       | (11,706)       |
| Opening shareholders' equity funds | <u>342,447</u> | <u>354,153</u> |
| Closing shareholders' equity funds | <u>285,513</u> | <u>342,447</u> |

# HAGGIS BACKPACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1ST OCTOBER 2000 TO 31ST DECEMBER 2001

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### 23. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking that prepares group accounts is Insight Group Limited, a company registered in England and Wales. Copies of the consolidated accounts of Insight Group Limited are available from the Registrar of Companies.

The company's ultimate parent undertaking is The Travel Corporation Limited, a company incorporated in the British Virgin Islands. The accounts of this company are not available to the public.