

**Blue Chip Travel Coaching Limited**

**Directors' report and financial  
statements**

**Registered number SC162264**

**30 November 2002**



Company registration number: SC 162264

Registered office: Saltine Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

Directors: Mr AH Coe  
Mrs S Simmons  
Mr MBT Watts

Secretary: Mrs S Simmons

Auditors: KPMG LLP  
Chartered accountants  
1 Waterloo Way  
Leicester  
LE1 6LP

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## Directors' report

The directors present their report together with financial statements for the period ended 30 November 2002.

### Principal activity

The company is principally engaged in the sale of coaching.

### Business review

There was a profit for the year before taxation amounting to £14,000 (2001: £283,000). The directors do not recommend the payment of a dividend (2001: £192,000).

On 22 March 2002, the assets and the trade of Blue Chip Travel Coaching Limited were transferred to Travelsphere Transport Services Limited.

### Directors

The present membership of the board is set out below.

The interests of the directors who are also directors of the parent company are disclosed in that company's financial statements. The other director had no beneficial interest in the shares of the company as at 30 November 2002 and 1 December 2001.

AH Coe	)	Director of ultimate holding company
MBT Watts	)	Director of ultimate holding company
S Simmons	)	Director of ultimate holding company
RJ Green		(resigned 14 January 2002)

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the Annual General Meeting.

On behalf of the board

S Simmons  
Secretary



Saltire Court  
20 Castle Terrace  
Edinburgh

30 January 2003

## Statement of 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 and of the profit or loss 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



1 Waterloo Way  
Leicester  
LE1 6LP

## **Report of the independent auditors to the members of Blue Chip Travel Coaching Limited**

We have audited the financial statements on pages 4 to 9.

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***

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

### ***Basis of audit 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 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 30 November 2002 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG LLP*

Chartered Accountants  
Registered Auditor

*30th January, 2003.*

**Profit and loss account**  
*for the year ended 30 November 2002*

	<i>Note</i>	<b>2002 £000</b>	<b>2001 £000</b>
<b>Turnover</b>	<i>1</i>	<b>89</b>	<b>1,001</b>
<b>Cost of sales</b>		<b>(75)</b>	<b>(718)</b>
<b>Gross profit</b>		<b>14</b>	<b>283</b>
<b>Operating profit</b>		<b>14</b>	<b>283</b>
<b>Profit on ordinary activities before taxation</b>	<i>1</i>	<b>14</b>	<b>283</b>
<b>Tax on profit on ordinary activities</b>	<i>4</i>	<b>(3)</b>	<b>(91)</b>
<b>Profit on ordinary activities after taxation</b>		<b>11</b>	<b>192</b>
<b>Dividends on equity shares</b>	<i>3</i>	<b>-</b>	<b>(192)</b>
<b>Retained profit for the year</b>		<b>11</b>	<b>-</b>

There were no recognised gains or losses other than the profit for the financial year.

All results relate to activities transferred to Travelsphere Transport Services Limited on 22 March 2002.

**Balance sheet**  
*at 30 November 2002*

	<i>Note</i>	<b>2002 £000</b>	<b>2001 £000</b>
<b>Current assets</b>			
Debtors	5	35	226
Cash at bank and in hand		-	3
		<hr/>	<hr/>
		35	229
<b>Creditors: amounts falling within one year</b>	6	(23)	(228)
		<hr/>	<hr/>
<b>Net current assets</b>		12	1
		<hr/>	<hr/>
<b>Net assets</b>		12	1
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	7	1	1
Profit and loss reserve		11	-
		<hr/>	<hr/>
<b>Shareholders' funds</b>		12	1
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 30 January 2003 and were signed on its behalf by:

**MBT Watts**  
 Director



**D Clemson**  
 Director





## Reconciliation of movement of shareholders' funds

	2002 £000	2001 £000
Profit for the financial year	11	192
Dividends	-	(192)
	<hr/>	<hr/>
Net addition to shareholders' funds	11	-
Opening shareholders' funds	1	1
	<hr/>	<hr/>
Closing shareholders' funds	12	1
	<hr/>	<hr/>

**Notes**  
*(forming part of the financial statements)*

**1 Accounting policies**

The following accounting policies have been applied constantly in dealing with items which are considered material in relation to the company's financial statements. The company has adopted FRS 18 'Accounting policies' and FRS 19 'Deferred tax' in these financial statements.

***Basis of preparation***

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own, consolidated financial statements

As 100% of the company's voting rights are controlled within the group headed by Travelsphere Holdings Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

***Turnover***

Turnover represents the total amount receivable by the company for goods and services provided, excluding VAT and trade discounts.

***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

**2 Staff numbers and costs**

The only employees of the company during the year were its 4 (2001: 4) directors, who received no remuneration.

**3 Dividends**

	2002 £000	2001 £000
Equity shares:		
Final dividend proposed	-	192

## Notes (continued)

### 4 Tax on profit on ordinary activities

	2002 £000	2001 £000
<i>UK Corporation tax</i>		
Current tax on income for the period	3	12
Group relief	-	67
Adjustments in respect of prior periods	-	12
	<hr/>	<hr/>
Total current tax	3	91
	<hr/>	<hr/>

#### *Factors affecting the tax charge for the current period*

The current tax charge for the period is lower (2001: higher) than the standard rate of corporation tax in the UK (30%, 2001: 30%). The differences are explained below.

	2002 £	2001 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	14	283
	<hr/>	<hr/>
Tax at 30% (2001: 30 %)	4	85
Effect of:		
Small companies relief	(1)	(6)
Adjustments to tax charge in respect of previous periods	-	12
	<hr/>	<hr/>
Total current tax charge (see above)	3	91
	<hr/>	<hr/>

### 5 Debtors

	2002 £000	2001 £000
Amounts owed by group undertakings	35	226
	<hr/>	<hr/>
	35	226
	<hr/>	<hr/>

**Notes (continued)**

**6 Creditors: amounts falling due within one year**

	2002 £000	2001 £000
Trade creditors	-	24
Amounts owed to group undertakings	23	-
Corporation tax	-	12
Proposed dividend	-	192
	<u>23</u>	<u>228</u>

**7 Share capital**

	2002 £000	2001 £000
<i>Authorised</i>		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

**8 Reserves**

	Profit and Loss account 2001 £000
At beginning of year	-
Retained profit for the year	<u>11</u>
At end of year	<u>11</u>

**9 Ultimate parent company and parent undertaking of larger group of which the company is a member**

The company is a subsidiary of Blue Chip Travel Limited, incorporated in England.

The largest group in which the results of the company are consolidated is that headed by Travelsphere Holdings Limited. The smallest group in which they are consolidated is that headed by Travelsphere Limited, incorporated in England.

**Notes** *(continued)*

**10 Related party disclosures**

The company is exempt from the requirements of Financial Reporting Standard 8 to disclose transactions with other members of the group headed by Travelsphere Holdings Limited.

**11 Contingent liabilities**

There were no contingent liabilities at 30 November 2001 or 2002.