

BCT TRAVEL GROUP LIMITED

(formerly Cresta Holidays Limited)

Report and Financial Statements

13 months ended 31 October 2004

Deloitte & Touche LLP
Manchester



BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)
REPORT AND FINANCIAL STATEMENTS 2004

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BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S A H Kimber
M G Hill
D J Gaster
E J Williams
Parkway Management Services Limited

SECRETARY

G J McMahon

REGISTERED OFFICE

Parkway One
Parkway Business Centre
300 Princess Road
Manchester
M4 7QU

BANKERS

Royal Bank of Scotland
14-16 The Mall
Sale
M33 1XZ

AUDITORS

Deloitte & Touche LLP
Manchester

BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the thirteen months ended 31 October 2004.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company continues to be that of a worldwide tour operator.

There have been no major developments in the business during the course of the period. The directors expect the company to trade satisfactorily during the coming year.

On 14 July 2004 the company changed its accounting reference date to 31 October.

RESULTS AND DIVIDENDS

The audited financial statements for the thirteen months ended 31 October 2004 are set out on pages 6 to 16. They show a profit after taxation of £0.1m (2003 – profit of £2.4m).

The directors do not recommend the payment of a dividend (2003 - £nil).

FIXED ASSETS

There have been no changes to the valuation of fixed assets during the course of the period.

DIRECTORS AND THEIR INTERESTS

The directors of the company, who served throughout the period and at the date of this report, are set out on page 1.

The directors are also directors of Cresta Holidays (Holdings) Limited, the immediate parent undertaking of BCT Travel Group Limited (formerly Cresta Holidays Limited), and BCT Transport Brokers Limited (formerly Cresta (Transport Brokers) Limited), a wholly owned subsidiary of BCT Travel Group Limited (formerly Cresta Holidays Limited).

None of the directors held any beneficial interest in the share capital of the company, or of Cresta Holidays (Holdings) Limited, or of BCT Transport Brokers Limited (formerly Cresta (Transport Brokers) Limited).

The directors' interests in the shares of the ultimate parent undertaking, MyTravel Group plc, are disclosed in the financial statements of the immediate parent company, Cresta Holidays (Holdings) Limited.

The directors have no other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identified to that of other employees.

EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and has continued to keep them informed of matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and through the media of employee newsletters and regular news bulletins.

POST BALANCE SHEET EVENTS

On 1 January 2005 the company purchased the trade and assets of a fellow subsidiary of MyTravel Group plc, Bridge Travel Service Limited. The transfer occurred at book value.

On 6 January 2005 the company changed its name to BCT Travel Group Limited.

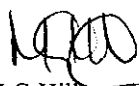
BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)

DIRECTORS' REPORT

AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



M G Hill
Director

28/02/ 2005

BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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;
- state whether applicable accounting standards have been followed; and
- 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 establishing and maintaining the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

BCT TRAVEL GROUP LIMITED (formerly CRESTA HOLIDAYS LIMITED)

We have audited the financial statements of BCT Travel Group Limited (formerly Cresta Holidays Limited) for the thirteen months ended 31 October 2004 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes 1 to 20. These financial statements have been prepared under 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 members 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above period and consider the implications for our report if we become aware of any apparent misstatements, or material inconsistencies with the financial statements.

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 31 October 2004 and of its profit for the thirteen month period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Manchester

28 February 2005

BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)

PROFIT AND LOSS ACCOUNT
13 months ended 31 October 2004

	Note	13 months ended 31 October 2004 £'000	Year ended 30 September 2003 £'000
TURNOVER			
Cost of sales	2	126,834 (107,968)	122,827 (104,361)
GROSS PROFIT		18,866	18,466
Distribution costs		(12,577)	(13,597)
Administrative expenses - ongoing		(10,647)	(6,700)
- exceptional	4	(650)	-
		(11,297)	(6,700)
OPERATING LOSS		(5,008)	(1,831)
Intercompany dividends receivable		2,500	3,000
Interest receivable and similar income	5	2,531	1,412
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	23	2,581
Tax on profit on ordinary activities	7	70	(142)
RETAINED PROFIT FOR THE PERIOD	16,17	93	2,439

All activity arose from continuing operations.

The company has no recognised gains or losses in the period other than the profit for that period, and consequently no statement of total recognised gains and losses has been presented.

BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)

BALANCE SHEET 31 October 2004

	Note	31 October 2004 £'000	30 September 2003 £'000
FIXED ASSETS			
Tangible assets	8	600	1,110
Investments	9	2	2
		<u>602</u>	<u>1,112</u>
CURRENT ASSETS			
Stocks	10	239	327
Debtors	11	54,617	53,073
Cash at bank and in hand		692	590
		<u>55,548</u>	<u>53,990</u>
CREDITORS: Amounts falling due within one year	12	(30,759)	(30,454)
NET CURRENT ASSETS		<u>24,789</u>	<u>23,536</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>25,391</u>	<u>24,648</u>
PROVISIONS FOR LIABILITIES AND CHARGES	14	(650)	-
NET ASSETS		<u>24,741</u>	<u>24,648</u>
CAPITAL AND RESERVES			
Called up share capital	15	100	100
Profit and loss account	16	24,641	24,548
EQUITY SHAREHOLDER'S FUNDS	17	<u>24,741</u>	<u>24,648</u>

These financial statements were approved by the Board of Directors on 28/02/2005

Signed on behalf of the Board of Directors



M G Hill

Director

BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS

13 months ended 31 October 2004

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. They have all been applied consistently throughout the period and the prior year. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of MyTravel Group plc which prepares consolidated financial statements which are publicly available. The company is also on this basis exempt from the requirement of FRS 1 to present a cash flow statement.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and equipment	20% - 25% per annum
Motor vehicles	25% per annum on a straight-line basis

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Income recognition and associated costs

Turnover represents the aggregate amount of gross revenue from holiday sales, flights and other services supplied to customers in the ordinary course of business. Revenues and direct selling expenses relating to insurance and other incentives are taken to the profit and loss account on holiday departure. Other revenues and associated expenses are taken to the profit and loss account as earned or incurred. Certain expenses such as the cost of brochure production, distribution and promotional activity are charged to the profit and loss account over the season to which they relate where recovery of the costs is reasonably assured.

Advance receipts

Advance receipts represent monies received in respect of tours departing after the company's period end, for which no credit is taken in the profit and loss account.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS

13 months ended 31 October 2004

1 ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currency

Transactions denominated in foreign currencies are recorded in the local currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at that date or in related forward contracts. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged as an expense in the period in which they are incurred. See note 18d for further information.

Operating leases

The company enters into operating leases as described in note 18c. Rentals are charged on a straight line basis over the lease term. Rent free periods and reverse premiums are amortised over the shorter of the lease term and the period to the next rent renegotiation.

2. TURNOVER

The turnover and profit before taxation of the company during the period arose wholly in the United Kingdom and relates to the company's principal activity as a tour operator.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	13 months ended 31 October 2004 £'000	Year ended 30 September 2003 £'000
Directors' remuneration		
Emoluments	463	368
Company contributions to a money purchase pension scheme	40	33
	<hr/>	<hr/>
	503	401
Compensation for loss of office	-	131
	<hr/>	<hr/>
	503	532
	<hr/>	<hr/>

Pensions

The number of directors who were members of pension schemes was as follows:

	13 months ended 31 October 2004 No.	Year ended 30 September 2003 No.
Money purchase schemes	4	5
	<hr/>	<hr/>

BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS 13 months ended 31 October 2004

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

Highest paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	13 months ended 31 October 2004 £'000	Year ended 30 September 2003 £'000
Emoluments	185	165
Company contributions to money purchase pension scheme	17	15
	<u>202</u>	<u>180</u>

	13 months ended 31 October 2004 No.	Year ended 30 September 2003 No.
Average number of persons employed		
Travel and tour operations	445	532
	<u>445</u>	<u>532</u>

	13 months ended 31 October 2004 £'000	Year ended 30 September 2003 £'000
Staff costs (including directors)		
Wages and salaries	8,777	9,028
Social security costs	779	834
Pension costs	296	268
	<u>9,852</u>	<u>10,130</u>

BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS

13 months ended 31 October 2004

4. EXCEPTIONAL ADMINISTRATIVE EXPENSES

During the period the company provided for the exceptional costs relating to redundancies as part of a restructuring.

	13 months ended 31 October 2004 £'000
Amount provided:	
Redundancies	630
Other	20
	<u>650</u>

5. INTEREST RECEIVABLE

	13 months ended 31 October 2004 £'000	Year ended 30 September 2003 £'000
Bank interest receivable	20	12
Interest receivable from other group companies	2,511	1,400
	<u>2,531</u>	<u>1,412</u>

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	13 months ended 31 October 2004 £'000	Year ended 30 September 2003 £'000
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation	689	584
Rentals under operating leases (see note 18c)	813	722
Auditors' remuneration - audit	32	29
- non audit	1	1
Staff costs	9,852	10,130
Intergroup management charge	3,527	-
	<u>17,913</u>	<u>21,466</u>

BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS
13 months ended 31 October 2004

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) The tax (credit)/charge comprises:

	13 months ended 31 October 2004 £'000	Year ended 30 September 2003 £'000
Current tax		
UK corporation tax	-	(33)
Adjustments in respect of prior years		
- UK corporation tax	-	262
Total current tax	-	229
Deferred tax		
Origination and reversal of timing differences (see note 13)	(70)	87
Total tax on profit on ordinary activities	(70)	142

b) The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	13 months ended 31 October 2004 £'000	Year ended 30 September 2003 £'000
Profit on ordinary activities before tax	23	2,581
Tax on profit on ordinary activities at standard UK corporation tax rate of 30%	7	774
Effects of:		
Capital allowances in arrears of depreciation	-	6
Origination and reversal of timing differences	-	87
Non-taxable income	(7)	(900)
Adjustments in respect of previous periods	-	262
Current tax (credit)/charge for period (see note 7a)	-	229

BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS

13 months ended 31 October 2004

8. TANGIBLE FIXED ASSETS

	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 October 2003	3,845	34	3,879
Additions	181	-	181
Disposals	(71)	(10)	(81)
At 31 October 2004	3,955	24	3,979
Accumulated depreciation			
At 1 October 2003	2,737	32	2,769
Charge for the period	687	2	689
Disposals	(69)	(10)	(79)
At 31 October 2004	3,355	24	3,379
Net book value			
At 31 October 2004	600	-	600
At 30 September 2003	1,108	2	1,110

9. INVESTMENTS HELD AS FIXED ASSETS

	31 October 2004 £'000	30 September 2003 £'000
Subsidiary undertaking	2	2

The company holds 100% of the share capital of BCT Transport Brokers Limited (formerly Cresta (Transport Brokers) Limited), a company registered in England and Wales. This company's principal activity is to purchase transportation. The issued share capital consists of 2,000 ordinary shares of £1 each.

10. STOCKS

	31 October 2004 £'000	30 September 2003 £'000
Goods for resale	239	327

BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS 13 months ended 31 October 2004

11. DEBTORS

	31 October 2004 £'000	30 September 2003 £'000
Trade debtors	997	1,072
Amounts owed by group undertakings	51,801	49,145
UK corporation tax	-	34
Other debtors (see note 13)	412	437
Prepayments and accrued income	1,407	2,385
	<u>54,617</u>	<u>53,073</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 October 2004 £'000	30 September 2003 £'000
Trade creditors	9,268	9,133
Advance receipts	6,106	8,157
Amounts owed to group undertakings	8,819	5,120
Other creditors including taxation and social security	652	945
Accruals and deferred income	5,914	7,099
	<u>30,759</u>	<u>30,454</u>

Other creditors include £652,000 (30 September 2003 - £945,000) relating to taxation and social security.

13. DEFERRED TAXATION

The movement on deferred taxation comprises:

	31 October 2004 £'000	30 September 2003 £'000
Beginning of period	278	191
Credited to the profit and loss account in respect of other timing differences	70	87
End of period	<u>348</u>	<u>278</u>

The deferred tax asset is included in other debtors.

There is no unprovided deferred taxation at 31 October 2004 (30 September 2003 - £Nil).

BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS 13 months ended 31 October 2004

14. PROVISIONS FOR LIABILITIES AND CHARGES

	£'000
Provision for exceptional administrative expenses	
1 October 2003	-
Charged in the period	650
31 October 2004	650

Exceptional costs relate to redundancy provisions resulting from the reorganisation of the business following the decision to transfer the trade and assets of Bridge Travel Service Limited into this company.

15. CALLED UP SHARE CAPITAL

	31 October 2004 £'000	30 September 2003 £'000
Authorised, allotted, called-up and fully-paid 100,000 ordinary shares of £1 each	100	100

16. RESERVES

	Profit and loss account £'000
Beginning of period	24,548
Retained profit for the period	93
End of period	24,641

All the company's reserves are regarded as distributable.

17. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2004 £'000	2003 £'000
Profit for the financial period	93	2,439
Opening equity shareholder's funds	24,648	22,209
Closing equity shareholder's funds	24,741	24,648

18. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

a) Contingent liabilities

In order to manage future foreign currency requirements, the company enters into certain forward contracts to purchase foreign currency. At the balance sheet date the company had contracted to purchase £64.7 million (2003 - £65.0 million) of foreign currency.

b) Bonding arrangements

In accordance with its business as a tour operator the company has various bonding agreements, totalling £14.3 million (2003 - £19.8 million).

BCT TRAVEL GROUP LIMITED (formerly Cresta Holidays Limited)

NOTES TO THE FINANCIAL STATEMENTS

13 months ended 31 October 2004

18. GUARANTEES AND OTHER FINANCIAL COMMITMENTS (continued)

c) Lease commitments

The minimum annual rentals under non-cancellable operating leases are as follows:

	31 October 2004 £'000	30 September 2003 £'000
Operating leases which expire:		
- within one year	8	-
- between two and five years	164	280
- after five years	462	442
	<u>634</u>	<u>722</u>

d) Pension arrangements

The company operates a defined contribution pension scheme to provide retirement benefits for certain employees and a Group Personal Pension Plan which is also a defined contribution pension scheme for the benefit of all employees. The pension cost charge for the period amounted to £296,000 (2003 - £268,000).

19. ULTIMATE PARENT COMPANY

The directors regard MyTravel Group plc, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party.

The largest and smallest group in which the results of the company are consolidated is that headed by MyTravel Group plc, the financial statements of which may be obtained from MyTravel Group plc, Parkway One, Parkway Business Centre, 300 Princess Road, Manchester, M14 7QU.

As a subsidiary of MyTravel Group plc, the company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" from disclosing transactions with other members of the group headed by MyTravel Group plc.

20. POST BALANCE SHEET EVENT

On 1 January 2005 the company purchased the trade and assets of a fellow subsidiary of MyTravel Group plc, Bridge Travel Service Limited. The transfer occurred at net book value.