

ROBERT BROAD TRAVEL LIMITED

DIRECTORS' REPORT AND
GROUP FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2001



COMPANY NUMBER 01619413

DIRECTORS' REPORT

The directors present their annual report and the audited group financial statements for the year ended 31st October 2001.

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 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;
- 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of the company and its subsidiary undertakings through the year was that of travel agents.

DIRECTORS

R.T. Broad
M.J. Webb
G. Barrett
C.R. Parlour
J.N. Webb
N. Saunders

DIRECTORS' REPORT (CONTINUED)**DIRECTORS (CONTINUED)**

The beneficial interest of the directors holding office on 31st October 2001 in the issued share capital of the company were as follows:

	31.10.01	31.10.00
"A" Ordinary £1 Shares		
R.T. Broad	-	-
M.J. Webb	-	-
G. Barrett	-	-
C.R. Parlour	-	-
J.N. Webb	-	-
N. Saunders	-	-

"B" Ordinary £1 Shares

R.T. Broad	-	-
M.J. Webb	10,000	10,000
G. Barrett	-	-
C.R. Parlour	-	-
J.N. Webb	-	-
N. Saunders	-	-

Equalcover Limited (a company registered in England, number 3653076) holds 10,000 "A" Ordinary Shares. Mr. M.J. Webb and Mrs. J.N. Webb hold all of the issued share capital of Equalcover Limited and are also directors of that company.

AUDITORS

The auditors, Messrs. Farmiloes, having indicated their willingness, will be proposed for reappointment at the forthcoming annual general meeting.

**BY ORDER OF THE BOARD****N. Saunders**
SECRETARY

14th February, 2002.

**AUDITORS REPORT TO THE SHAREHOLDERS OF
ROBERT BROAD TRAVEL LIMITED**

We have audited the financial statements on pages 4 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion based on our audit on those statements and to report our opinion to you.

Basis of 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 affairs of the company and group as at 31st October 2001 and of its profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**FARMILOES
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS**

14th February, 2002.

**GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER 2001**

	Notes	2001	2000
TURNOVER	1	7,747,081	8,499,204
Cost of sales		6,965,284	7,662,862
GROSS PROFIT		<u>781,797</u>	<u>836,342</u>
Administrative expenses		756,706	787,853
OPERATING PROFIT	2	<u>25,091</u>	<u>48,489</u>
Income from investments		6,312	5,905
Interest receivable and similar income		-	4,445
		<u>6,312</u>	<u>10,350</u>
		<u>31,403</u>	<u>58,839</u>
Interest payable and similar charges	3	3,373	5,563
Loss on disposal of fixed asset investment	4	11,371	-
		<u>14,744</u>	<u>5,563</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>16,659</u>	<u>53,276</u>
Tax on profit on ordinary activities	5	7,706	12,150
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>8,953</u>	<u>41,126</u>
Minority interests		2,845	5,104
RETAINED PROFIT FOR THE YEAR		<u>6,108</u>	<u>36,022</u>
Parent company		9,470	24,755
Subsidiary undertakings		(3,362)	11,267
		<u>£6,108</u>	<u>£36,022</u>

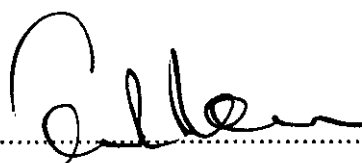
Turnover and operating profit arise from continuing activities. The 2001 figures do not include the results for a subsidiary sold during the year (Note 8).

A statement of movements on reserves is given in note 18. The group has no recognised gains or losses other than the profit for the year.

**GROUP BALANCE SHEET
AS AT 31ST OCTOBER 2001**

	Notes	2001	2000
FIXED ASSETS			
Tangible assets	6	304,831	340,249
Intangible assets	7	8,472	14,412
		<u>313,303</u>	<u>354,661</u>
CURRENT ASSETS			
Debtors	9	347,197	424,198
Cash in hand		341,820	257,219
		<u>689,017</u>	<u>681,417</u>
CREDITORS – Amounts falling due within one year	10	624,703	635,294
		<u>64,314</u>	<u>46,123</u>
NET CURRENT ASSETS			
		<u>377,617</u>	<u>400,784</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS – Amounts falling due after more than one year	10	(135,667)	(145,887)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	(5,751)	(6,281)
		<u>£236,199</u>	<u>£248,616</u>
CAPITAL AND RESERVES			
Called up share capital	14	20,000	20,000
Revaluation reserve	15	9,056	9,056
Profit and loss account	19	180,918	174,810
		<u>209,974</u>	<u>203,866</u>
SHAREHOLDERS' FUNDS			
Minority interests	20	26,225	44,750
		<u>£236,199</u>	<u>£248,616</u>

These financial statements were approved by the board on 14th February, 2002 and signed on its behalf by



..... C.R. Parlour – DIRECTOR

**COMPANY BALANCE SHEET
AS AT 31ST OCTOBER 2001**

	Notes	2001	2000
FIXED ASSETS			
Tangible assets	6	278,822	291,525
Intangible assets	7	8,472	14,412
Investments	8	21,000	26,000
		<u>308,294</u>	<u>331,937</u>
CURRENT ASSETS			
Debtors	9	35,461	50,350
Cash at bank and in hand		189,241	167,762
		<u>224,702</u>	<u>218,112</u>
CREDITORS – Amounts falling due within one year	10	224,337	246,301
NET CURRENT LIABILITIES		<u>365</u>	<u>(28,189)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>308,659</u>	<u>303,748</u>
CREDITORS – Amounts falling due after more than one year	10	(135,667)	(145,887)
PROVISIONS FOR LIABILITIES AND CHARGES	13	(3,210)	(3,920)
		<u>£169,782</u>	<u>£153,941</u>
CAPITAL AND RESERVES			
Called up share capital	14	20,000	20,000
Revaluation reserve	15	9,056	9,056
Profit and loss account	19	140,726	124,885
SHAREHOLDERS' FUNDS		<u>£169,782</u>	<u>£153,941</u>

These financial statements were approved by the board on 14th February, 2002 and signed on its behalf by



..... C.R. Parlour – DIRECTOR

**GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST OCTOBER 2001**

	Cash flow notes	2001	2000
Net cash inflow from operating activities	1	192,382	12,795
Returns on investments and servicing of finance	2	(3,373)	(5,563)
Taxation		(11,500)	(5,527)
Capital expenditure and financial investment	2	12,794	(21,542)
		<u>190,303</u>	<u>(19,837)</u>
Financing	2	(15,383)	(65,478)
Increase/(decrease) in cash in the period		<u>£174,920</u>	<u>£(85,315)</u>
		2001	2000
Reconciliation of net cash flow to movement in net funds	3		
Increase/(decrease) in cash in the period		174,920	(85,315)
Cash outflow from decrease in debt and lease financing		15,383	65,478
Changes in net funds resulting from cash flows		<u>190,303</u>	<u>(19,837)</u>
Movements in net funds in the period		<u>190,303</u>	<u>(19,837)</u>
Other non-cash changes		(89,252)	-
Net funds at 1st November 2000		93,102	112,939
Net funds at 31st October 2001		<u>£194,153</u>	<u>£93,102</u>

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST OCTOBER 2001**

1. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities	2001	2000
Operating profit	25,091	48,489
Depreciation	19,044	28,956
Loss on disposal of fixed assets	952	1,326
Decrease/(increase) in debtors	51,854	(134,450)
Increase in creditors	91,205	68,474
Amortisation	4,236	-
Net cash inflow from continuing operating activities	<u>£192,382</u>	<u>£12,795</u>
2. Analysis of Cash Flows from Headings Netted in the Cash Flow Statement	2001	2000
Returns on investments and servicing of finance:		
Interest and charges paid	(3,373)	(5,358)
Interest element of hire purchase repayments	-	(205)
	<u>(3,373)</u>	<u>(5,563)</u>
Capital expenditure and financial investment:		
Purchased goodwill	-	(14,412)
Purchase of tangible fixed assets	(8,022)	(22,483)
Sale of tangible fixed assets	2,800	5,003
Sale of investments	10,000	-
Rents received and other income	6,312	5,905
Deposit account interest	-	4,445
Refund from vendor re goodwill	1,704	-
	<u>12,794</u>	<u>(21,542)</u>
Financing:		
Bank loan repayments	(15,383)	(28,501)
Capital element of hire purchase repayments	-	(977)
Directors loan repaid	-	(36,000)
	<u>£(15,383)</u>	<u>£(65,478)</u>

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST OCTOBER 2001**

3. Analysis of Changes in Net Funds

	At 1.11.00	Cash flow	Other Non- Cash Changes	At 31.10.01
Net cash:				
Cash in hand	257,219	173,853	(89,252)	341,820
Bank overdraft	(1,067)	1,067	-	-
	<u>256,152</u>	<u>174,920</u>	<u>(89,252)</u>	<u>341,820</u>
Debt:				
Bank loan	(163,050)	15,383	-	(147,667)
	<u>93,102</u>	<u>190,303</u>	<u>(89,252)</u>	<u>194,153</u>
Analysed in Balance Sheet:				
Bank overdraft	(1,067)			-
Cash at bank and in hand	257,219			341,820
Bank loan				
- within one year	(17,163)			(12,000)
- after one year	(145,887)			(135,667)
	<u>£93,102</u>			<u>£194,153</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2001****1. ACCOUNTING POLICIES****a. Basis of accounting**

The group financial statements have been prepared in accordance with the Companies Act 1985 and with applicable Accounting Standards. In accordance with the concession granted under Section 230(2) of the Companies Act 1985 the profit and loss account of the parent company has not been separately presented in the financial statements.

b. Basis of consolidation

The group financial statements consolidate those of the company and its subsidiary undertakings. The results of subsidiary undertakings acquired are included in the group profit and loss account for the period of group ownership.

c. Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 20% on cost

The freehold property is maintained to ensure that its value does not diminish over time. Maintenance costs are charged to profit and loss in the year incurred. In the opinion of the directors depreciation on the building included within freehold property would be immaterial and has not been charged.

d. Repairs and renewals

All expenditure on repairs and renewals is charged to profit and loss in the year incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

e. Leasing and hire purchase contracts

Rental payments under operating leases are charged to profit and loss account on the straight-line basis over the lease term.

Assets acquired under hire purchase contracts are included in fixed assets at cost and depreciated in accordance with the company's normal depreciation policies. The liability outstanding is included in creditors and interest is charged to the profit and loss account on a straight-line basis over the term of the contract.

f. Turnover

The turnover is attributable to the principal activities of the company and represents the value of services invoiced to customers net of value added tax.

g. Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. OPERATING PROFIT

The operating profit is stated after charging the following:

	2001	2000
Amortisation of goodwill	4,236	-
Depreciation – owned assets	19,044	28,956
Auditors' remuneration	6,350	6,314
Directors' remuneration	127,764	119,091
Directors' pension contributions	11,046	7,425
Staff costs, including directors remuneration, were as follows:		
Wages and salaries	391,599	333,107
Social Security costs	34,731	31,763
Loss on disposals:		
Motor vehicle	952	1,326
Investments	11,371	-
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2001	2000
On bank loans	3,373	3,936
On hire purchase contracts	-	205
Other interest	-	1,422
	<u>£3,373</u>	<u>£5,563</u>

4. LOSS ON DISPOSAL OF FIXED ASSET INVESTMENT

	2001	2000
Disposal of shares in Robert Broad Travel (Lichfield) Limited	£11,371	£NIL
	<u> </u>	<u> </u>

5. TAXATION

	2001	2000
Corporation Tax at 20%	8,237	11,501
Deferred taxation	(530)	668
Adjustment to previous year	(1)	(19)
	<u>£7,706</u>	<u>£12,150</u>

**NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**
6. TANGIBLE FIXED ASSETS – GROUP

	Freehold property	Short leasehold property	Fixtures and fittings	Motor vehicles	Computer equipment	Total
Cost or valuation						
At 1st November 2000	248,070	17,563	160,772	32,924	82,340	541,669
Additions	-	-	2,255	-	5,767	8,022
Disposals	-	-	-	(13,881)	-	(13,881)
Subsidiary undertaking sold	-	(17,563)	(38,744)	(13,544)	-	(69,851)
At 31st October 2001	<u>248,070</u>	<u>-</u>	<u>124,283</u>	<u>5,499</u>	<u>88,107</u>	<u>465,959</u>
Depreciation						
At 1st November 2000	-	10,885	111,674	23,578	55,283	201,420
Charge in the year	-	-	5,946	1,075	12,023	19,044
On disposals	-	-	-	(10,129)	-	(10,129)
Subsidiary undertaking sold	-	(10,885)	(27,992)	(10,330)	-	(49,207)
At 31st October 2001	<u>-</u>	<u>-</u>	<u>89,628</u>	<u>4,194</u>	<u>67,306</u>	<u>161,128</u>
Net book value						
At 31st October 2001	<u>£248,070</u>	<u>£NIL</u>	<u>£34,655</u>	<u>£1,305</u>	<u>£20,801</u>	<u>£304,831</u>
At 31st October 2000	<u>£248,070</u>	<u>£6,678</u>	<u>£49,098</u>	<u>£9,346</u>	<u>£27,057</u>	<u>£340,249</u>

The freehold property was revalued in the year ended 31st October 1999 by Countrywide Surveyors Limited.

**NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**
6. TANGIBLE FIXED ASSETS – COMPANY

Cost or valuation	Freehold property	Fixtures and fittings	Motor vehicles	Computer equipment	Total
At 1st November 2000	248,070	95,075	13,881	39,783	396,809
Additions	-	427	-	564	991
Disposals	-	-	(13,881)	-	(13,881)
At 31st October 2001	<u>248,070</u>	<u>95,502</u>	<u>-</u>	<u>40,347</u>	<u>383,919</u>
Depreciation					
At 1st November 2000	-	69,851	9,489	25,944	105,284
Charge for year	-	3,775	640	5,527	9,942
On disposals	-	-	(10,129)	-	(10,129)
At 31st October 2001	<u>-</u>	<u>73,626</u>	<u>-</u>	<u>31,471</u>	<u>105,097</u>
Net book values					
At 31st October 2001	<u>£248,070</u>	<u>£21,876</u>	<u>£NIL</u>	<u>£8,876</u>	<u>£278,822</u>
At 31st October 2000	<u>£248,070</u>	<u>£25,224</u>	<u>£4,392</u>	<u>£13,839</u>	<u>£291,525</u>
Historic cost of revalued assets	<u>£239,014</u>				

The freehold property was revalued in the year ended 31st October 1999 by Countrywide Surveyors Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INTANGIBLE FIXED ASSETS – GROUP AND COMPANY

Cost	Goodwill
At 1st November 2000	14,412
Refunded by vendor	(1,704)
At 31st October 2001	<u>12,708</u>
Amortisation	
At 1st November 2000	-
Charge for year	4,236
At 31st October 2001	<u>4,236</u>
Net book values	
At 31st October 2001	<u>£8,472</u>
At 31st October 2000	<u>£14,412</u>

8. SHARES IN GROUP COMPANIES AT COST	2001	2000
	<u>£21,000</u>	<u>£26,000</u>

The company's investments in the ordinary share capital of unlisted companies at the balance sheet date include the following:

Company	%age Holding	Country of Incorporation
Robert Broad Business Travel Limited	70	United Kingdom

On 30th October 2001, the company's 50% holding in Robert Broad Travel (Lichfield) Limited was sold for £10,000. As a result of this disposal the results of Robert Broad Travel (Lichfield) Limited for the period up to sale of the shares have not been included in the 2001 group results.

Results for the year:

Robert Broad Business Travel Limited	Profit	£9,485
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. DEBTORS – Amounts falling due within one year

	Group		Company	
	2001	2000	2000	1999
Trade debtors	310,250	335,438	9,631	35,580
Other debtors	13,858	67,330	11,476	1,345
Prepayments	21,360	21,430	14,354	12,767
Amount due from group undertaking	1,434	-		658
Amount due from related undertaking	295	-	-	-
	<u>£347,197</u>	<u>£424,198</u>	<u>£35,461</u>	<u>£50,350</u>

10. CREDITORS – Amounts falling due within one year

	Group		Company	
	2001	2000	2001	2000
Bank loans and overdrafts	12,000	18,230	12,000	17,163
Trade creditors	449,503	527,341	158,584	188,853
Other creditors and accruals	98,836	55,242	23,695	18,647
Amount due to group undertaking	1,434	-	1,434	-
Social Security and other taxes	24,649	22,980	18,311	14,642
Corporation tax	8,237	11,501		6,996
Amount due to related undertaking	30,044	-	5,044	-
	<u>£624,703</u>	<u>£635,294</u>	<u>£224,337</u>	<u>£246,301</u>

CREDITORS – Amounts falling due after more than one year

	Group		Company	
	2001	2000	2001	2000
Bank loans	<u>£135,667</u>	<u>£145,887</u>	<u>£135,667</u>	<u>£145,887</u>

Amounts falling due in more than five years: Repayable by instalments £60,800 (2000: £77,250).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	Group		Company	
	2001	2000	2001	2000
Expiring:				
Within one year	1,760	4,820	-	4,820
Between one and five years	26,850	18,301	26,850	18,301
After five years	-	8,000	-	-
	<u>£28,610</u>	<u>£31,121</u>	<u>£26,850</u>	<u>£23,121</u>

12. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2001	2000	2001	2000
Bank loans and overdrafts	<u>£147</u>	<u>£164,117</u>	<u>£147,667</u>	<u>£163,050</u>

The bank overdraft is secured by a fixed and floating charge over all the assets of the company.

13. PROVISION FOR LIABILITIES AND CHARGES

	Group		Company	
	2001	2000	2001	2000
Deferred taxation	<u>£5,751</u>	<u>£6,281</u>	<u>£3,210</u>	<u>£3,920</u>
		Deferred taxation		Deferred taxation
Balance at 1st November 2000		6,281		3,920
Decrease in provision		(530)		(710)
Balance at 31st October 2001		<u>£5,751</u>		<u>£3,210</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. CALLED UP SHARE CAPITAL

Authorised:

Number	Class	Nominal value	2001	2000
25,000	"A" Ordinary	£1	25,000	25,000
25,000	"B" Ordinary	£1	25,000	25,000
			<u>£50,000</u>	<u>£50,000</u>

Allotted, issued and fully paid:

Number	Class	Nominal value	2001	2000
10,000	"A" Ordinary	£1	10,000	10,000
10,000	"B" Ordinary	£1	10,000	10,000
			<u>£20,000</u>	<u>£20,000</u>

15. REVALUATION RESERVE

2001 and 2000 Group & Company

Revaluation of property	<u>£9,056</u>
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16. CONTINGENT LIABILITIES

Bond issued by Natwest Bank plc on behalf of the group is as follows:

ABTA	£110,917
ATOL	<u>£50,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. RELATED PARTY DISCLOSURES

Natwest Bank plc hold personal guarantees from the following directors:

M.J. Webb	£60,000
R.T. Broad	£60,000

18. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable the company to the fund, and amounted to £11,046 for the year 2001 (2000: £5,425).

19. RESERVES

	Group Profit and loss account	Company Profit and loss account
At 1st November 2000	174,810	124,885
Retained profit for the year	6,108	15,841
At 31st October 2001	<u>£180,918</u>	<u>£140,726</u>

20. MINORITY INTERESTS

At 1st November 2000	44,750
Eliminated on disposals in the year	(21,370)
Share of profit for the year	2,845
At 31st October 2001	<u>£26,225</u>

21. CONTROLLING PARTY

The group is controlled by Mr. M.J. Webb by virtue of his shareholding in this company and in Equalcover Limited.