

Company Registration No. 01004502 (England and Wales)

TRAILFINDERS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2013



TRAILFINDERS LIMITED

COMPANY INFORMATION

Directors

M D W Gooley, C B E (Chairman)
A M Russell
M Bannister
G Dyer
M B Atkins
M C Raymond
E R Lee
L Breton
J D Nye
M L West (Appointed 1 March 2013)
N Davies
F K Gooley
T P Gooley
T M Kelly (Appointed 1 March 2013)
S R Gadd

Secretary

M Bannister

Company number

01004502

Registered office

48 Earls Court Road
London
W8 6FT

Auditors

Elman Wall Limited
5 - 7 John Prince's Street
London
W1G 0JN

TRAILFINDERS LIMITED

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TRAILFINDERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2013

The directors present their report and financial statements for the year ended 28 February 2013

Principal activities and review of the business

The principal activities of the company continue to be those of travel organisers and suppliers of related services

During the year the company operated 25 travel centres in the United Kingdom, 5 in London and one each located in Aberdeen, Belfast, Birmingham, Boumemouth, Brighton, Bristol, Cambridge, Canterbury, Cardiff, Chester (opened in April), Edinburgh, Exeter, Glasgow, Leeds, Liverpool (opened in June), Manchester, Newcastle, Norwich, Nottingham and Oxford

Fair review of the business

Gross sales turnover was at a figure of £530.5m (2012 - £513.7m). The trading profit for the year before taxation was at a figure of £19.3m, our second highest recorded net profit ever. The overall result is an indication that the company is now trading in a more favourable business environment than the years immediately following the 2008 GFC and the Directors maintain a positive outlook for the future.

Description of principal risks and uncertainties

The company's operations are subject to numerous risks such as currency movements, terrorism, disease, adverse weather conditions and other natural phenomena. In addition to managing these risks, the legislative burden on the travel industry and in particular the EU Directive on Package Travel places a high cost in meeting the demands and obligations of this regulatory framework.

We hold an Air Travel Organisers License granted by the Civil Aviation Authority which ensures that in the very unlikely event of our insolvency, our clients would be able to continue with their holiday as planned (if already abroad) or refunded in full if travel has not already commenced. As a double indemnity, all client funds are held in a Client Trust Account established in 1993 as a market leader and which continues to offer a unique form of financial guarantee. This separate legal entity holds all client monies received for travel arrangements until such time as payment is due to the supplier. Transactional gross profit is then transferred to the general account following settlement.

We are also a member of The Association of Business Travel Agents (ABTA) and as such we are obliged to maintain a high standard of service governed by ABTA's code of conduct.

It should also be noted that the company operates a policy of reimbursing our clients in the event of an airline failing financially. This guarantee is offered by a method of self insurance and unlike many other travel organisers, Trailfinders does not charge for this protection.

The Directors consider cautious management of our cash reserves to be of paramount importance and this continues to be reflected in the balance sheet. This allows the company to manage all of the aforementioned risks and weather any prolonged downturn in business. It also allows the company to acquire other business opportunities at speed.

TRAILFINDERS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

Results and dividends

The results for the year are set out on page 7

The trading profit for the year after taxation was £15m (2012 £16.8m)

No dividend was paid in the year

Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value

Directors

The following directors have held office since 1 March 2012

M D W Gooley, C B E (Chairman)

A M Russell

M Bannister

G Dyer

M B Atkins

M C Raymond

E R Lee

L Breton

J D Nye

M L West

(Appointed 1 March 2013)

N Davies

F K Gooley

T P Gooley

T M Kelly

(Appointed 1 March 2013)

S R Gadd

Directors' interests

No directors had any interest in the shares of the company

M D W Gooley, M Bannister, A M Russell and E R Lee are directors of the parent company, Trailfinders Group Limited. M D W Gooley owns 100% of the share capital of the parent company.

TRAILFINDERS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

Charitable donations	2013	2012
	£'000	£'000

During the year the company made the following payments
Charitable donations

898	1,033
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Charitable donations amounting to £875,000 (2012 £1,000,000) were made to The Mike Gooley Trailfinders Charity, which is an organisation, favouring support of Medical Research, Community projects which encourage young people in outdoor activities and Armed Forces veteran organisations. A further £23,150 (2012 £32,500) in donations were made to Cancer Research UK. The donations made represent 4% (2012 5%) of the pre tax profits.

Employee involvement

Regular meetings with employees' representatives are held to inform them of the development of the business, together with a confidential internal newsletter published monthly and comprehensive company information available on the private internal Knowledgebase intranet which totals some 90,000 pages of information.

Disabled persons

The directors endeavour to ensure that as far as possible the training, career development and promotion of disabled persons is the same as other employees. Should employees become disabled, every effort is made to ensure that their employment continues and appropriate retraining is received. There was one registered disabled person employed by the company during the year.

Trust account

The company created a trust account in June 1993. This separate legal entity continues to hold all clients' money received for travel arrangements until such time as payment is due to the suppliers. The company receives commission due only after the settlement of supplier accounts. Monies held in this trust account exceeded £142 million at the peak of high season.

This method of safeguarding clients' funds is all too rare in the travel industry but, in the opinion of the directors, is by far the soundest and our action puts down a benchmark for others to follow.

Auditors

In accordance with the company's articles, a resolution proposing that Elman Wall Limited be reappointed as auditors of the company will be put at a General Meeting.

TRAILFINDERS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



M Bannister

Secretary

19/06/2013

TRAILFINDERS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TRAILFINDERS LIMITED

We have audited the financial statements of Trailfinders Limited for the year ended 28 February 2013 set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 February 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

TRAILFINDERS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF TRAILFINDERS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Elman Wall Limited

Ian Palmer (Senior Statutory Auditor)
for and on behalf of Elman Wall Limited

19/06/2013

Chartered Accountants
Statutory Auditor

5 - 7 John Prince's Street
London
W1G 0JN

TRAILFINDERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2013

	Notes	2013 £'000	2012 £'000
Turnover	2	530,548	513,797
Cost of sales		(465,517)	(450,259)
Gross profit		65,031	63,538
Administrative expenses		(59,122)	(57,063)
Other operating income		5,885	6,164
Operating profit	3	11,794	12,639
Investment income	4	3,053	5,159
Other interest receivable and similar income	4	4,491	3,757
Profit on ordinary activities before taxation		19,338	21,555
Tax on profit on ordinary activities	5	(4,306)	(4,676)
Profit for the year	16	15,032	16,879

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

TRAILFINDERS LIMITED


BALANCE SHEET

AS AT 28 FEBRUARY 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	6	23,681	20,922
Investments	7	43,249	38,793
		<u>66,930</u>	<u>59,715</u>
Current assets			
Stocks	8	69	86
Debtors	9	6,293	6,319
Monies held on trust	10	153,214	139,305
Cash at bank and in hand		82,791	76,552
		<u>242,367</u>	<u>222,262</u>
Creditors' amounts falling due within one year	11	<u>(144,543)</u>	<u>(132,520)</u>
Net current assets		<u>97,824</u>	<u>89,742</u>
Total assets less current liabilities		<u>164,754</u>	<u>149,457</u>
Creditors. amounts falling due after more than one year	12	(233)	-
Provisions for liabilities	13	(35)	-
		<u>164,486</u>	<u>149,457</u>
Capital and reserves			
Called up share capital	15	94	94
Share premium account	16	27	27
Revaluation reserve	16	999	1,020
Other reserves	16	16	16
Profit and loss account	16	163,350	148,300
Shareholders' funds	17	<u>164,486</u>	<u>149,457</u>

Approved by the Board and authorised for issue on 19 Jun 2013 .


M D W Gooley, C B E (Chairman)
Director


M Bannister
Director

Company Registration No. 01004502

TRAILFINDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a wholly owned subsidiary of Trailfinders Group Limited, which prepares a consolidated cash flow statement

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Transactions relating to customers travel bookings are recognised in the financial statements at such times as payments are received from customers and deposited to the trust accounts. This treatment reflects the fact that customers retain the right to change or cancel their travel bookings at any time up to the date of payment. In accordance with the terms of the trust, transactions relating to customers' bookings are reflected in turnover when there is reasonable certainty that such transactions will be completed.

Turnover represents gross sales value to customers of air tickets, travel insurance, hotel bookings and other related services.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets (other than freehold land) are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	2% - 2.5% straight line
Leasehold buildings	Over period of lease
Plant and machinery	6.67% - 20% straight line
Computer equipment	10% - 33.33% straight line
Fixtures, fittings & equipment	10% straight line
Motor vehicles	6.67% - 20% straight line

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

1.5 Leasing

Assets obtained under finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods.

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

1.6 Investments

Fixed asset investments are stated at cost less provision for impairment.

Long term investments in which the company has participating interests are stated at cost less provision for impairment. Listed investments and unlisted investments are stated at cost less provision for impairment.

TRAILFINDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

1 Accounting policies (continued)

1.7 Stock

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

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 Foreign currency translation

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

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Trailfinders Group Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

1.12 Revaluation of Properties

The freehold and leasehold properties were professionally valued on an existing use open market basis, in accordance with the Statement of Assets Valuation Practice No. 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors by Lewis Craig and Harpers. On adoption of FRS 15, the company followed the transitional provision to retain the book value of property that had been valued, but not to adopt a policy of revaluation of these properties in the future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 11.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2013 £'000	2012 £'000
Operating profit is stated after charging		
Depreciation of owned tangible assets	2,643	2,786
Depreciation on assets held on finance leases	116	-
Operating lease rentals	2,020	1,827
Fees payable to the company's auditor for the audit of the company's annual accounts	55	50
Remuneration of auditors for non-audit work	26	20
and after crediting		
Profit on disposal of tangible assets	-	(11)
Profit on foreign exchange transactions	(5,481)	(5,727)

TRAILFINDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

4	Investment income	2013	2012
		£'000	£'000
	Income from fixed asset investments	3,053	5,159
	Bank interest	4,491	3,757
		<u>7,544</u>	<u>8,916</u>
5	Taxation	2013	2012
		£'000	£'000
	Domestic current year tax		
	U K corporation tax	4,260	4,700
	Adjustment for prior years	11	(6)
	Total current tax	<u>4,271</u>	<u>4,694</u>
	Deferred tax		
	Deferred tax charge/credit current year	35	(18)
		<u>4,306</u>	<u>4,676</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>19,338</u>	<u>21,555</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24 15% (2012 - 25 80%)	<u>4,670</u>	<u>5,561</u>
	Effects of		
	Non deductible expenses	20	40
	Depreciation add back	666	718
	Capital allowances	(435)	(487)
	Adjustments to previous periods	11	(6)
	Dividends and distributions received	(642)	(1,194)
	Other tax adjustments	(19)	62
		<u>(399)</u>	<u>(867)</u>
	Current tax charge for the year	<u>4,271</u>	<u>4,694</u>

TRAILFINDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

6 Tangible fixed assets

	Freehold buildings	Leasehold buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 March 2012	16,809	3,194	23,305	7,850	183	51,341
Additions	2,518	34	2,306	662	-	5,520
Disposals	-	-	(34)	(7)	-	(41)
At 28 February 2013	19,327	3,228	25,577	8,505	183	56,820
Depreciation						
At 1 March 2012	3,365	1,951	19,139	5,816	150	30,421
On disposals	-	-	(34)	(7)	-	(41)
Charge for the year	387	143	1,678	539	12	2,759
At 28 February 2013	3,752	2,094	20,783	6,348	162	33,139
Net book value						
At 28 February 2013	15,575	1,134	4,794	2,157	21	23,681
At 29 February 2012	13,446	1,243	4,166	2,034	33	20,922

Comparable historical cost for the land and buildings included at valuation

	£'000
Cost	
At 1 March 2012	18,859
Additions	2,552
At 28 February 2013	21,411
Depreciation based on cost	
At 1 March 2012	5,071
Charge for the year	516
At 28 February 2013	5,587
Net book value	
At 28 February 2013	15,824
At 29 February 2012	13,788

TRAILFINDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

6 Tangible fixed assets

(continued)

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £'000
Net book values	
At 28 February 2013	581
Depreciation charge for the year	
At 28 February 2013	116

Cost or valuation at 28 February 2013 includes £548,000 derived from professional valuations made in 1987 on the basis of open market value for continuing use in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors and £836,000 derived from professional valuations made on 26 February 1999. Valuations were made on the basis of open market value for continuing use by two firms of chartered surveyors, Lewis Craig and Harpers. These valuations have been frozen, as the company has taken advantage of the transitional provisions on adoption of FRS 15.

At the year end the cost and depreciation carried forward for long leasehold properties was £401,320 (2012 £401,320) and £71,326 (2012 £65,993) respectively.

TRAILFINDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

7 Fixed asset investments

	Listed investments	Unlisted investments	Shares in group undertakings	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 March 2012	16,700	195	21,898	38,793
Additions	6,301	-	-	6,301
Disposals	(1,845)	-	-	(1,845)
At 28 February 2013	21,156	195	21,898	43,249
Net book value				
At 28 February 2013	21,156	195	21,898	43,249
At 29 February 2012	16,700	195	21,898	38,793

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Trailfinders Ireland Limited	Republic of Ireland	Ordinary	100 00
Bloomfield Wilderness Lodge Pty Limited*	Australia	Ordinary	100 00
Hinterland Aero Engineering Pty Limited*	Australia	Ordinary	100 00
Trailfinders Pty Limited	Australia	Ordinary	100 00
Hinterland Aviation Pty Limited*	Australia	Ordinary	100 00
Trailfinders (Australia) Pty Limited*	Australia	Ordinary	100 00
Mount Louis Grazing Pty Limited*	Australia	Ordinary	100 00

* wholly owned by Trailfinders Pty Limited

The market value of listed investments at 28 February 2013 was £26,234,261 (2012 £19,076,152) Listed investments are long term investments and have therefore been classified under fixed asset investments

Unlisted investments include £195,000 in respect of 195,000 ordinary £1 shares in Britannic Group (Holdings) Limited, which represents 48.75% of the share capital of that company. As the company does not exercise significant influence over the financial and operating policy of Britannic Group (Holdings) Limited, the results of that company are not incorporated into these financial statements. Britannic Technologies Limited is a fully owned subsidiary of Britannic Group (Holdings) Limited.

Britannic Group (Holdings) Limited is incorporated in Great Britain and registered in England and Wales. The consolidated capital and reserves of Britannic Group (Holdings) Limited at 31 March 2012, being the latest available audited accounts, amounted to £2,014,523 (2011 £1,906,456) and the profit after taxation for the year ended 31 March 2012 amounted to £208,067 (2011 £79,939).

TRAILFINDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

8	Stocks	2013 £'000	2012 £'000
	Finished goods and goods for resale	<u>69</u>	<u>86</u>

9	Debtors	2013 £'000	2012 £'000
	Trade debtors	1,787	1,495
	Other debtors	1,492	1,900
	Prepayments and accrued income	3,014	2,924
		<u>6,293</u>	<u>6,319</u>

Amounts falling due after more than one year and included in the debtors above are

	2013 £'000	2012 £'000
Other debtors	<u>622</u>	<u>636</u>

10	Monies held on trust	2013 £'000	2012 £'000
	Cash at bank and in hand	<u>153,214</u>	<u>139,305</u>

The company established a trust on 15 June 1993 to hold and safeguard amounts received from customers. The amounts held on trust are represented by bank balances. Amounts held on trust are only available to settle liabilities arising from the customers' travel arrangements and related services and the company's profit margin thereon. Interest arising from the funds held on trust belongs to the company.

The trust account also holds Irish funds which remain as amounts payable to Trailfinders Ireland Limited.

TRAILFINDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

11 Creditors' amounts falling due within one year	2013 £'000	2012 £'000
Net obligations under finance leases	233	-
Trade creditors	104,166	91,855
Amounts owed to parent and fellow subsidiary undertakings	29,294	28,491
Corporation tax	1,677	2,189
Other taxes and social security costs	1,195	941
Other creditors	3,192	3,890
Accruals and deferred income	4,786	5,154
	<u>144,543</u>	<u>132,520</u>

Other creditors includes £132,883 (2012 £824,552) due to M D W Gooley, a director of the company. The amount is interest free.

12 Creditors' amounts falling due after more than one year	2013 £'000	2012 £'000
Net obligations under finance leases	<u>233</u>	<u>-</u>
Net obligations under finance leases		
Repayable within one year	233	-
Repayable between one and five years	<u>233</u>	<u>-</u>
	466	-
Included in liabilities falling due within one year	<u>(233)</u>	<u>-</u>
	<u>233</u>	<u>-</u>

TRAILFINDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

13 Provisions for liabilities

	Deferred tax liability £'000
Profit and loss account	35
Balance at 28 February 2013	35

The provision is calculated at a corporation tax rate of 23% and relates to other short term timing differences

The deferred tax liability is made up as follows.

	2013 £'000	2012 £'000
Other timing differences	35	-

14 Pension and other post-retirement benefit commitments Defined contribution

	2013 £'000	2012 £'000
Contributions payable by the company for the year	188	192

15 Share capital

	2013 £'000	2012 £'000
Allotted, called up and fully paid 940,800 Ordinary shares of 10p each	94	94

TRAILFINDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

16 Statement of movements on reserves

	Share premium account £'000	Revaluation reserve £'000	Other reserves (see below) £'000	Profit and loss account £'000
Balance at 1 March 2012	27	1,020	16	148,297
Profit for the year	-	-	-	15,032
Transfer from revaluation reserve to profit and loss account	-	(21)	-	21
Balance at 28 February 2013	27	999	16	163,350

Other reserves

Capital redemption reserve

Balance at 1 March 2012 & at 28 February 2013

12

Capital reserve

Balance at 1 March 2012 & at 28 February 2013

4

17 Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Profit for the financial year	15,032	16,879
Opening shareholders' funds	149,457	132,578
Closing shareholders' funds	164,486	149,457

18 Contingent liabilities

The company has given guarantees and indemnities at 28 February 2013 amounting to £2,951,230 (2012 £6,192,383) to travel suppliers and in respect of travel agency bonds Barclays Bank plc holds a charge over £3.5 million of cash deposits in relation to these indemnities and guarantees and also in respect of travel suppliers and travel agency bonds Barclays Bank plc also hold a charge over £3.3 million in relation to indemnities and guarantees provided on behalf of Trailfinders Ireland Limited in respect of travel suppliers and agency bonds within Ireland

At the year end Allied Irish Bank held Inter company cross guarantees between the company and Trailfinders Ireland Limited, a wholly owned subsidiary undertaking

TRAILFINDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

19 Financial commitments

At 28 February 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 28 February 2014

	Land and buildings	
	2013 £'000	2012 £'000
Operating leases which expire		
Within one year	46	-
Between two and five years	535	299
In over five years	1,409	1,668
	<u>1,990</u>	<u>1,967</u>

20 Directors' remuneration

	2013 £'000	2012 £'000
Remuneration for qualifying services	1,817	1,608
Company pension contributions to defined contribution schemes	80	78
	<u>1,897</u>	<u>1,686</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 8 (2012 - 8)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	340	316
Company pension contributions to defined contribution schemes	<u>24</u>	<u>24</u>

TRAILFINDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2013 Number	2012 Number
Travel consultants	535	568
Management and administration	320	324
	<u>855</u>	<u>892</u>

Employment costs

	2013 £'000	2012 £'000
Wages and salaries	33,896	32,532
Other pension costs	188	192
	<u>34,084</u>	<u>32,724</u>

22 Control

The ultimate parent company is Trailfinders Group Limited, a company registered in England and Wales

Trailfinders Group Limited prepares group financial statements and copies can be obtained from 23 Abingdon Road, London W8 6AL. The ultimate control of the company and the Group rests with M D W Gooley, the Group Chairman

TRAILFINDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

23 Related party relationships and transactions

Mr E R Lee, a director of the company, is a partner with William Heath & Co solicitors, whose firm is one of those instructed by the company in the ordinary course of business on legal matters. During the year the company has been charged £15,100 (2012 £23,420) by William Heath & Co for legal services.

During the year the company purchased goods and services to the value of £788,614 (2012 £1,262,683) from Britannic Technologies Limited (see note 8). The balance owed to Britannic Technologies Limited at the year end was £22,371 (2012 £39,312).

During the year the company made donations of £875,000 (2012 £1,000,000) to the Mike Gooley Trailfinders Charity, a registered charity. Mr M D W Gooley, Mr T P Gooley, Mrs F Gooley, Mrs L Breton and Mr M Bannister, directors of the company, are trustees of the charity.

An amount of £271,559 (2012 £271,559) is due from Trailfinders Sports Club Limited, a company owned by two of the company's directors, Mr A M Russell and Mr E Lee. During the year, the company was charged £122,243 (2012 £187,360) by Trailfinders Sports Club Limited for sponsorship and various other services.

At the year end the company owed M D W Gooley £132,883 (2012 £823,552) after a net movement of £690,669 during the year.

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.