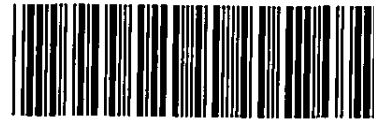


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**Report of the Directors and  
Financial Statements for the Year Ended 31 March 2010  
for  
SOUTHALL TRAVEL LIMITED**

THURSDAY



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for the Year Ended 31 March 2010**

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**SOUTHALL TRAVEL LIMITED**

**Company Information  
for the Year Ended 31 March 2010**

**DIRECTORS**

D Bahia  
K S Bahia  
K S Rana

**SECRETARY:**

D Bahia

**REGISTERED OFFICE:**

Palmoak House  
19 South Road  
Southall  
Middlesex  
UB1 1SU

**REGISTERED NUMBER:**

1869431 (England and Wales)

**AUDITORS:**

Dawn & Co  
Chartered Certified Accountants  
And Statutory Auditors  
38 Langham street  
London  
W1W 7AR

**SOUTHALL TRAVEL LIMITED (REGISTERED NUMBER: 1869431)**

**Report of the Directors  
for the Year Ended 31 March 2010**

The directors present their report with the financial statements of the company for the year ended 31 March 2010

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a travel agent and a tour operator

**REVIEW OF BUSINESS**

The results for the year as shown in the annexed financial statements show continued growth and a healthy financial position

The principal risks and uncertainties facing the company is dependent on the uncertainties facing the global economy and its effect on passengers number

The company has always been well placed to meet changes in demand due to extensive range of travel arrangements available. The nature of the company's activities does generate significant liquid resources which provide financial flexibility and reduce any liquidity risk inherent in the current global economy

The company is a member of all the recognised travel industry's regulatory bodies. This ensures that facilities are in place that protect both the consumer and tour operators from insolvency of travel agents

The company's employment policy is to provide equal opportunity to all current and prospective employees. This is applied consistently for both recruitment and employee progression. Careful attention is given to the promotion of risk management procedures to ensure safe working environment for both its employees and its customers

The company's aims, objectives and performance are communicated to employees via regular management briefings and other informal communications

The company continues to grow and the current turnover of £203 million represents a 34% growth on previous year

The directors are confident of growth in the ensuing year as the company strengthens its position in the market

**DIVIDENDS**

The total dividend paid for the year ended 31 March 2010 was £5.37million

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2009 to the date of this report

D Bahia  
K S Bahia  
K S Rana

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year under review the company made charitable donations of £50,455

**Report of the Directors  
for the Year Ended 31 March 2010**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Dawn & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



D Bahia - Director

28 June 2010

## **Report of the Independent Auditors to the Shareholders of SOUTHALL TRAVEL LIMITED**

We have audited the financial statements of SOUTHALL TRAVEL LIMITED for the year ended 31 March 2010 on pages five to fourteen. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 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.

### **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 31 March 2010 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.

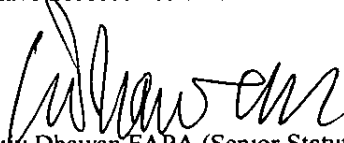
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **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.



Charanjiv Dhawan FAPA (Senior Statutory Auditor)  
for and on behalf of Dawn & Co  
Chartered Certified Accountants  
And Statutory Auditors  
38 Langham street  
London  
W1W 7AR

28 June 2010

**SOUTHALL TRAVEL LIMITED (REGISTERED NUMBER: 1869431)****Profit and Loss Account  
for the Year Ended 31 March 2010**

	Notes	31 3 10 £	31 3 09 £
<b>TURNOVER</b>		203,106,814	151,901,814
Cost of sales		183,886,060	136,608,567
<b>GROSS PROFIT</b>		19,220,754	15,293,247
Administrative expenses		13,753,739	12,331,151
		5,467,015	2,962,096
Other operating income		2,974,932	1,865,400
<b>OPERATING PROFIT</b>	3	8,441,947	4,827,496
Interest receivable and similar income		86,076	477,471
		8,528,023	5,304,967
Interest payable and similar charges	4	371	337
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		8,527,652	5,304,630
Tax on profit on ordinary activities	5	2,403,597	1,505,833
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		6,124,055	3,798,797

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year


The notes form part of these financial statements

**SOUTHALL TRAVEL LIMITED (REGISTERED NUMBER. 1869431)**

**Balance Sheet  
31 March 2010**

	Notes	31 3 10 £	£	31 3 09 £	£
<b>FIXED ASSETS</b>					
Intangible assets	7		-		-
Tangible assets	8		1,536,572		1,556,523
			<u>1,536,572</u>		<u>1,556,523</u>
<b>CURRENT ASSETS</b>					
Debtors	9	3,841,327		2,250,173	
Cash at bank and in hand		24,963,750		18,240,943	
			<u>28,805,077</u>	<u>20,491,116</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	10	24,150,987		16,611,032	
			<u>4,654,090</u>		<u>3,880,084</u>
<b>NET CURRENT ASSETS</b>					
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>6,190,662</u>		<u>5,436,607</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		100,000		100,000
Share premium	13		15,000		15,000
Profit and loss account	13		6,075,662		5,321,607
<b>SHAREHOLDERS' FUNDS</b>					
	16		<u>6,190,662</u>		<u>5,436,607</u>

The financial statements were approved by the Board of Directors on 28 June 2010 and were signed on its behalf by



D Bahia - Director

The notes form part of these financial statements



**SOUTHALL TRAVEL LIMITED (REGISTERED NUMBER: 1869431)**

**Cash Flow Statement  
for the Year Ended 31 March 2010**

	Notes	31 3 10 £	31 3 09 £
<b>Net cash inflow from operating activities</b>	1	14,540,837	8,569,927
<b>Returns on investments and servicing of finance</b>	2	85,705	477,134
<b>Taxation</b>		(2,447,661)	(1,368,498)
<b>Capital expenditure</b>	2	(102,335)	(247,731)
<b>Equity dividends paid</b>		(5,370,000)	(2,000,000)
		<u>6,706,546</u>	<u>5,430,832</u>
<b>Financing</b>	2	<u>16,261</u>	<u>(5,701)</u>
<b>Increase in cash in the period</b>		<u>6,722,807</u>	<u>5,425,131</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
Increase in cash in the period		<u>6,722,807</u>	<u>5,425,131</u>
Change in net funds resulting from cash flows		<u>6,722,807</u>	<u>5,425,131</u>
<b>Movement in net funds in the period</b>		<u>6,722,807</u>	<u>5,425,131</u>
<b>Net funds at 1 April</b>		<u>18,240,943</u>	<u>12,815,812</u>
<b>Net funds at 31 March</b>		<u>24,963,750</u>	<u>18,240,943</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement  
for the Year Ended 31 March 2010**

**1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31 3 10 £	31 3 09 £
Operating profit	8,441,947	4,827,496
Depreciation charges	117,557	130,638
Loss on disposal of fixed assets	4,728	-
Increase in debtors	(1,591,416)	(674,849)
Increase in creditors	7,568,021	4,286,642
<b>Net cash inflow from operating activities</b>	<b>14,540,837</b>	<b>8,569,927</b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31 3 10 £	31 3 09 £
<b>Returns on investments and servicing of finance</b>		
Interest received	86,076	477,471
Interest paid	(371)	(337)
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>85,705</b>	<b>477,134</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(105,335)	(247,731)
Sale of tangible fixed assets	3,000	-
<b>Net cash outflow for capital expenditure</b>	<b>(102,335)</b>	<b>(247,731)</b>
<b>Financing</b>		
Amounts owed to group undertaking	16,261	(5,701)
<b>Net cash inflow/(outflow) from financing</b>	<b>16,261</b>	<b>(5,701)</b>

**3 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 4 09 £	Cash flow £	At 31 3 10 £
Net cash			
Cash at bank and in hand	18,240,943	6,722,807	24,963,750
	18,240,943	6,722,807	24,963,750
<b>Total</b>	<b>18,240,943</b>	<b>6,722,807</b>	<b>24,963,750</b>

**Notes to the Financial Statements  
for the Year Ended 31 March 2010**

**1 ACCOUNTING POLICIES**

**Accounting convention**

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

**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)

**Turnover**

Turnover represents sales of airline tickets and package tours, net of value added tax

**Goodwill**

Goodwill was fully amortised in the accounting period ended 31 March 2008

**Tangible fixed assets**

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

Freehold property	- 2% on cost
Improvements to property	- 2% on cost
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

**Deferred tax**

Deferred tax 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

**Foreign currencies**

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

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

**2 STAFF COSTS**

	31 3 10	31 3 09
	£	£
Wages and salaries	1,181,897	1,622,586
Social security costs	127,489	193,947
Other pension costs	-	110,000
	<u>1,309,386</u>	<u>1,926,533</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2010

## 2 STAFF COSTS - continued

The average monthly number of employees during the year was as follows

	31 3 10	31 3 09
Administrative	11	10
Selling	19	29
	<u>30</u>	<u>39</u>

## 3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	31 3 10 £	31 3 09 £
Other operating leases	190,000	190,000
Depreciation - owned assets	117,556	130,638
Loss on disposal of fixed assets	4,728	-
Auditors' remuneration	32,000	32,000
Foreign exchange differences	<u>(23,787)</u>	<u>118,754</u>
Directors' remuneration	<u>405,126</u>	<u>906,893</u>

Information regarding the highest paid director is as follows

	31 3 10 £	31 3 09 £
Emoluments etc	<u>266,162</u>	<u>645,929</u>

## 4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 3 10 £	31 3 09 £
Bank interest	<u>371</u>	<u>337</u>

## 5 TAXATION

## Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	31 3 10 £	31 3 09 £
Current tax		
UK corporation tax	2,403,335	1,497,661
Interest on corporation tax	-	8,434
Total current tax	<u>2,403,335</u>	<u>1,506,095</u>
Deferred tax	<u>262</u>	<u>(262)</u>
Tax on profit on ordinary activities	<u>2,403,597</u>	<u>1,505,833</u>

UK corporation tax has been charged at 28% (2009 - 28%)

**Notes to the Financial Statements.- continued  
for the Year Ended 31 March 2010**

**5 TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	31 3 10 £	31 3 09 £
Profit on ordinary activities before tax	8,527,652	5,304,630
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	2,387,743	1,485,296
Effects of		
Expenses not deductible for tax purposes	11,122	7,710
Capital allowances for period in excess of depreciation	4,470	4,655
Adjustments to tax charge in respect of previous years	-	8,434
Current tax charge	2,403,335	1,506,095

**6 DIVIDENDS**

	31 3 10 £	31 3 09 £
Ordinary shares of £1 each Final	5,370,000	2,000,000

**7 INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
At 1 April 2009 and 31 March 2010	15,500
<b>AMORTISATION</b>	
At 1 April 2009 and 31 March 2010	15,500
<b>NET BOOK VALUE</b>	
At 31 March 2010	-
At 31 March 2009	-

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2010**

**8 TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Fixtures and fittings £
<b>COST</b>			
At 1 April 2009	1,158,042	42,436	491,335
Additions	-	57,614	42,868
At 31 March 2010	1,158,042	100,050	534,203
<b>DEPRECIATION</b>			
At 1 April 2009	41,777	850	203,471
Charge for year	20,449	2,440	66,159
Eliminated on disposal	-	-	-
At 31 March 2010	62,226	3,290	269,630
<b>NET BOOK VALUE</b>			
At 31 March 2010	1,095,816	96,760	264,573
At 31 March 2009	1,116,265	41,586	287,864
	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2009	100,235	124,149	1,916,197
Additions	-	4,853	105,335
Disposals	(17,355)	-	(17,355)
At 31 March 2010	82,880	129,002	2,004,177
<b>DEPRECIATION</b>			
At 1 April 2009	28,313	85,265	359,676
Charge for year	17,574	10,934	117,556
Eliminated on disposal	(9,627)	-	(9,627)
At 31 March 2010	36,260	96,199	467,605
<b>NET BOOK VALUE</b>			
At 31 March 2010	46,620	32,803	1,536,572
At 31 March 2009	71,922	38,884	1,556,521

Included in cost of land and buildings is freehold land of £113,608 (2009 - £113,608) which is not depreciated

**9 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 3 10 £	31 3 09 £
Trade debtors	3,658,844	2,106,052
Other debtors	138,087	79,636
Deferred tax asset	-	262
Prepayments and accrued income	44,396	64,223
	3,841,327	2,250,173

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2010

## 10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 10	31 3 09
	£	£
Trade creditors	23,338,547	15,788,551
Amounts owed to group undertakings	16,931	671
Taxation	503,335	547,661
Social security and other taxes	1,260	5,738
Other creditors	145,062	153,860
Accrued expenses	145,852	114,551
	<u>24,150,987</u>	<u>16,611,032</u>

## 11 DEFERRED TAX

	£
Balance at 1 April 2009	(262)
Write off	262
	<u>-</u>
Balance at 31 March 2010	<u>-</u>

## 12 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid		Nominal	31 3 10	31 3 09
Number	Class	value	£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

## 13 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 April 2009	5,321,607	15,000	5,336,607
Profit for the year	6,124,055		6,124,055
Dividends	(5,370,000)		(5,370,000)
	<u>6,075,662</u>	<u>15,000</u>	<u>6,090,662</u>
At 31 March 2010	<u>6,075,662</u>	<u>15,000</u>	<u>6,090,662</u>

## 14 ULTIMATE PARENT COMPANY

The company is a wholly-owned subsidiary of Onkar International Limited, which is incorporated in England & Wales

## 15 RELATED PARTY DISCLOSURES

Onkar Infotech Private Limited, a family-owned company based in India, provides call centre services to the company. The amount paid during the year was £6,302,833 (2009 £5,488,765). All transactions were undertaken at arm's length.

The company has claimed exemption under FRS 8 not to disclose transactions between members of the group.

**SOUTHALL TRAVEL LIMITED (REGISTERED NUMBER: 1869431)**

**Notes to the Financial Statements,- continued  
for the Year Ended 31 March 2010**

**16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 3 10	31 3 09
	£	£
Profit for the financial year	6,124,055	3,798,797
Dividends	(5,370,000)	(2,000,000)
<b>Net addition to shareholders' funds</b>	<u>754,055</u>	<u>1,798,797</u>
Opening shareholders' funds	5,436,607	3,637,810
<b>Closing shareholders' funds</b>	<u><u>6,190,662</u></u>	<u><u>5,436,607</u></u>

**17 BANK GUARANTEES AND SECURITIES**

The bank has issued letters of guarantee in favour of various suppliers on behalf of Southall Travel Limited