

**INSIGHT TRAVEL SERVICES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31ST DECEMBER 2001**

Company Registration Number 1970858



**HARGREAVES, BROWN & BENSON**  
Chartered Accountants & Registered Auditors  
2 Derby Street  
Colne  
Lancashire

# INSIGHT TRAVEL SERVICES LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2001

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# **INSIGHT TRAVEL SERVICES LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31ST DECEMBER 2001**

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The directors present their report and the financial statements of the company for the year ended 31st December 2001.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was the provision of data processing, administration and other services to other group companies.

Both the year end financial position and the level of business were considered satisfactory, and the directors expect that the present level of activity will be maintained for the foreseeable future.

### **RESULTS AND DIVIDENDS**

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

### **THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY**

The directors who served the company during the year were as follows:

D. I. D. Howie  
J. S. Boulding

The directors have no interest in the share capital of the company or of any other group undertaking.

### **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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

# INSIGHT TRAVEL SERVICES LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2001

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### AUDITORS

The company has made an election under S252, 366A and 386 of the Companies Act 1985 to dispense with the requirements to lay accounts and reports before general meetings, to hold annual general meetings and to appoint auditors annually.

Hargreaves Brown & Benson have expressed their willingness to continue in office as auditors.

Registered office:  
14 Grosvenor Place,  
London  
SW1X 7HH

Signed by order of the directors

  
D. I. D. HOWIE  
Company Secretary

Approved by the directors on **28 JUN 2002** .....

# INSIGHT TRAVEL SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER

YEAR ENDED 31ST DECEMBER 2001

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We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### 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 31st December 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

2 Derby Street  
Colne  
Lancashire  
BB8 9AD

  
HARGREAVES, BROWN & BENSON  
Chartered Accountants  
& Registered Auditors

28th June 2002

# INSIGHT TRAVEL SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2001

	Note	2001 £	2000 £
<b>TURNOVER</b>	<b>2</b>	<b>1,492,745</b>	<b>1,371,305</b>
Administrative expenses		<u>1,372,280</u>	<u>1,259,568</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>120,465</b>	<b>111,737</b>
Interest receivable		<u>5,602</u>	<u>3,290</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>126,067</b>	<b>115,027</b>
Tax on profit on ordinary activities	<b>6</b>	<u>(23,390)</u>	<u>(53,297)</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>102,677</b>	<b>61,730</b>
Balance brought forward		<u>(16,309,052)</u>	<u>(16,370,782)</u>
Balance carried forward		<u><u>(16,206,375)</u></u>	<u><u>(16,309,052)</u></u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 6 to 10 form part of these financial statements.

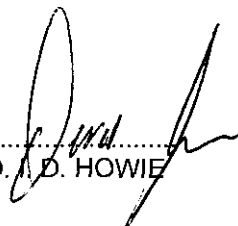
# INSIGHT TRAVEL SERVICES LIMITED

## BALANCE SHEET

31ST DECEMBER 2001

	Note	2001 £	2000 £
<b>FIXED ASSETS</b>			
Tangible assets	7	98,051	121,222
<b>CURRENT ASSETS</b>			
Debtors	8	1,535,259	576,189
Cash at bank and in hand		<u>779,015</u>	<u>1,678,671</u>
		2,314,274	2,254,860
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(1,433,600)</u>	<u>(1,491,422)</u>
<b>NET CURRENT ASSETS</b>		<u>880,674</u>	<u>763,438</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>978,725</u>	<u>884,660</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	11	-	(8,612)
		<u>978,725</u>	<u>876,048</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	14	40,000	40,000
Share premium account		17,145,100	17,145,100
Profit and Loss Account		<u>(16,206,375)</u>	<u>(16,309,052)</u>
<b>SHAREHOLDER'S FUNDS</b>	15	<u>978,725</u>	<u>876,048</u>

These financial statements were approved by the directors on the **28 JUN 2002**, and are signed on their behalf by:

  
D. D. HOWIE

The notes on pages 6 to 10 form part of these financial statements.

# INSIGHT TRAVEL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2001

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### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

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

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cashflow statement.

#### **Turnover**

The turnover shown in the profit and loss account is the amount derived from ordinary activities, and is stated after trade discounts, other sales taxes and is net of VAT.

#### **Depreciation**

*Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:*

Short Leasehold Property	- 33.33% on cost
Motor Vehicles	- 25% on cost
Office Equipment, Fixtures and Fittings	- 10%-25% on cost

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension costs**

The company participates in a group defined benefit pension scheme, open to all employees subject to scheme rules. The assets of the scheme are held separately from those of the company in separate trustee administered funds. The contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees. Variations from regular cost are spread over the average expected remaining working lives of current members in the scheme.

#### **Deferred taxation**

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

### 2. TURNOVER

Turnover represents management charges receivable for providing data processing, administration and other services to other group companies.



# INSIGHT TRAVEL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2001

### 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2001	2000
	£	£
Depreciation	68,600	44,585
(Profit)/loss on disposal of fixed assets	(4,140)	2,432
Auditors' remuneration		
- as auditors	15,000	15,000
Operating lease costs:		
Land and buildings	74,953	70,505

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2001	2000
	No.	No.
Number of administrative staff	45	37

The aggregate payroll costs of the above were:

	2001	2000
	£	£
Wages and salaries	788,979	682,040
Social security costs	59,676	53,494
Other pension costs	34,113	30,563
	882,768	766,097

### 5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2001	2000
	£	£
Emoluments receivable	178,171	157,048

The number of directors to whom benefits are accruing under defined benefit pension schemes is 2 (2000 - 2).

# INSIGHT TRAVEL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2001

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	£	2000 £	£
In respect of the year:				
Corporation Tax based on the results for the year at 30% (2000 - 30%)		33,612		15,000
Decrease in deferred tax provision				
Adjustments in respect of previous years:				
Corporation Tax	(1,610)		38,297	
Deferred tax:				
Capital allowances	(8,612)		-	
		(10,222)		38,297
		<u>23,390</u>		<u>53,297</u>

### 7. TANGIBLE FIXED ASSETS

	Short Leasehold Property £	Motor Vehicles £	Office Equipment, Fixtures and Fittings £	Total £
<b>COST</b>				
At 1st January 2001	101,900	82,908	88,901	273,709
Additions	-	-	51,289	51,289
Disposals	-	(20,720)	-	(20,720)
<b>At 31st December 2001</b>	<u>101,900</u>	<u>62,188</u>	<u>140,190</u>	<u>304,278</u>
<b>DEPRECIATION</b>				
At 1st January 2001	67,479	36,284	48,724	152,487
Charge for the year	34,421	9,320	24,859	68,600
On disposals	-	(14,860)	-	(14,860)
<b>At 31st December 2001</b>	<u>101,900</u>	<u>30,744</u>	<u>73,583</u>	<u>206,227</u>
<b>NET BOOK VALUE</b>				
<b>At 31st December 2001</b>	<u>-</u>	<u>31,444</u>	<u>66,607</u>	<u>98,051</u>
At 31st December 2000	<u>34,421</u>	<u>46,624</u>	<u>40,177</u>	<u>121,222</u>

### 8. DEBTORS

	2001 £	2000 £
Amounts owed by group undertakings	1,503,535	469,337
Corporation Tax repayable	-	5,000
Other debtors	4,194	80,844
Prepayments and accrued income	27,530	21,008
	<u>1,535,259</u>	<u>576,189</u>

# INSIGHT TRAVEL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2001

### 9. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Trade creditors	18,292	56,287
Amounts owed to group undertakings	1,252,272	1,297,526
Other creditors including taxation and social security:		
Corporation Tax	33,612	-
PAYE and social security	37,637	45,729
VAT	8,758	-
Other creditors	11,487	46
Accruals and deferred income	71,542	91,834
	<u>1,433,600</u>	<u>1,491,422</u>

### 10. PENSIONS

The company participates in a group pension scheme. The scheme is of the funded defined benefit type and its assets are held in a separate trustee administered fund. The scheme is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. The latest actuarial valuation of the scheme was at 1st May 2001. The company is unable to identify its share of the underlying assets and liabilities of the group scheme.

Particulars of the most recent independent formal review are contained in the consolidated accounts of the Insight Group Limited.

The pension cost charge for the year amounted to £34,113 (2000 - £30,563).

### 11. DEFERRED TAXATION

	2001 £	2000 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	8,612	8,612
Decrease in provision	(8,612)	-
Provision carried forward	<u>-</u>	<u>8,612</u>

The provision for deferred taxation (assets)/liabilities, calculated at 30%, consists of the tax effect of timing differences in respect of:

	2001		2000	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	-	(56,875)	8,612	(69,476)
Other timing differences	-	(4,830)	-	(1,985)
	<u>-</u>	<u>(61,705)</u>	<u>8,612</u>	<u>(71,461)</u>

# INSIGHT TRAVEL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2001

### 12. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2001 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2001	2000
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>25,000</u>	<u>20,000</u>

### 13. RELATED PARTY TRANSACTIONS

Advantage is taken of the exemption from disclosure of transactions and balances with entities that are part of the group, as the company is included in the publicly available consolidated financial statements of Insight Group Limited.

### 14. SHARE CAPITAL

#### Authorised share capital:

	2001	2000
	£	£
40,000 Ordinary shares of £1.00 each	<u>40,000</u>	<u>40,000</u>

#### Allotted, called up and fully paid:

	2001	2000
	£	£
Ordinary share capital	<u>40,000</u>	<u>40,000</u>

### 15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2001	2000
	£	£
Profit for the financial year	102,677	61,730
Opening shareholder's equity funds	<u>876,048</u>	<u>814,318</u>
Closing shareholder's equity funds	<u>978,725</u>	<u>876,048</u>

### 16. ULTIMATE PARENT COMPANY

The company's parent undertaking that prepares group accounts is Insight Group Limited, a company registered in England and Wales. Copies of the consolidated accounts of Insight Group Limited are available from the Registrar of Companies.

The company's ultimate parent undertaking is The Travel Corporation Limited, a company incorporated in the British Virgin Islands. The accounts of this company are not available to the public.