



INSIGHT TRAVEL SERVICES LIMITED
FINANCIAL STATEMENTS
FOR
31ST DECEMBER 2000

Company Registration Number 1970858

HARGREAVES, BROWN & BENSON
Chartered Accountants & Registered Auditors
2 Derby Street
Colne
Lancashire
BB8 9AD

INSIGHT TRAVEL SERVICES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

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INSIGHT TRAVEL SERVICES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2000

The directors present their report and the financial statements of the company for the year ended 31st December 2000.

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 2000

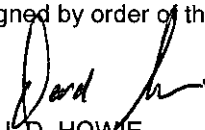
AUDITORS

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 18th May 2001

INSIGHT TRAVEL SERVICES LIMITED

AUDITORS' REPORT TO THE SHAREHOLDER

YEAR ENDED 31ST DECEMBER 2000

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. 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 the company's affairs as at 31st December 2000 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

31 May 2001

INSIGHT TRAVEL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2000

	Note	2000 £	1999 £
TURNOVER	2	1,371,305	1,514,491
Administrative expenses		1,259,568	1,392,452
OPERATING PROFIT	3	111,737	122,039
Interest receivable		3,290	1,459
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		115,027	123,498
Tax on profit on ordinary activities	6	(53,297)	(34,671)
RETAINED PROFIT FOR THE FINANCIAL YEAR		61,730	88,827
Balance brought forward		(16,370,782)	(16,459,609)
Balance carried forward		(16,309,052)	(16,370,782)

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 2000

	Note	2000	1999
		£	£
FIXED ASSETS			
Tangible assets	7	121,222	123,857
CURRENT ASSETS			
Debtors	8	576,189	407,079
Cash at bank and in hand		1,678,671	1,209,819
		2,254,860	1,616,898
CREDITORS: Amounts falling due within one year	9	(1,491,422)	(917,825)
NET CURRENT ASSETS		763,438	699,073
TOTAL ASSETS LESS CURRENT LIABILITIES		884,660	822,930
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11	(8,612)	(8,612)
		876,048	814,318
CAPITAL AND RESERVES			
Called-up equity share capital	14	40,000	40,000
Share premium account		17,145,100	17,145,100
Profit and Loss Account		(16,309,052)	(16,370,782)
SHAREHOLDER'S FUNDS	15	876,048	814,318

These financial statements were approved by the directors on the 18th May 2001 and are signed on their behalf by:



D. I. 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 2000

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 2000

3. OPERATING PROFIT

Operating profit is stated after charging:

	2000 £	1999 £
Depreciation	44,585	83,331
Loss on disposal of fixed assets	2,432	-
Auditors' remuneration		
- as auditors	8,000	7,000
Operating lease costs:		
Land and buildings	<u>70,505</u>	<u>82,063</u>

4. PARTICULARS OF EMPLOYEES

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

	2000 No.	1999 No.
Number of administrative staff	<u>37</u>	<u>41</u>

The aggregate payroll costs of the above were:

	2000 £	1999 £
Wages and salaries	682,040	678,221
Social security costs	53,494	55,063
Other pension costs	30,563	42,952
	<u>766,097</u>	<u>776,236</u>

5. DIRECTORS' EMOLUMENTS

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

	2000 £	1999 £
Emoluments receivable	<u>157,048</u>	<u>142,755</u>

The number of directors to whom benefits are accruing under defined benefit pension schemes is 2 (1999 - 2).

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
In respect of the year:		
Corporation Tax based on the results for the year at 30% (1999 - 30.25%)	15,000	40,000
Adjustment in respect of previous years:		
Corporation Tax	<u>38,297</u>	<u>(5,329)</u>
	<u>53,297</u>	<u>34,671</u>

INSIGHT TRAVEL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

7. TANGIBLE FIXED ASSETS

	Short Leasehold Property £	Motor Vehicles £	Office Equipment, Fixtures and Fittings £	Total £
COST				
At 1st January 2000	99,589	65,783	280,947	446,319
Additions	2,311	26,325	19,146	47,782
Disposals	-	(9,200)	(211,192)	(220,392)
At 31st December 2000	<u>101,900</u>	<u>82,908</u>	<u>88,901</u>	<u>273,709</u>
DEPRECIATION				
At 1st January 2000	33,197	38,068	251,197	322,462
Charge for the year	34,282	1,584	8,719	44,585
On disposals	-	(3,368)	(211,192)	(214,560)
At 31st December 2000	<u>67,479</u>	<u>36,284</u>	<u>48,724</u>	<u>152,487</u>
NET BOOK VALUE				
At 31st December 2000	<u>34,421</u>	<u>46,624</u>	<u>40,177</u>	<u>121,222</u>
At 31st December 1999	<u>66,392</u>	<u>27,715</u>	<u>29,750</u>	<u>123,857</u>

8. DEBTORS

	2000 £	1999 £
Amounts owed by group undertakings	469,337	348,891
Corporation Tax repayable	5,000	-
Other debtors	80,844	21,948
Prepayments and accrued income	21,008	36,240
	<u>576,189</u>	<u>407,079</u>

9. CREDITORS: Amounts falling due within one year

	2000 £	1999 £
Trade creditors	56,287	85,235
Amounts owed to group undertakings	1,297,526	563,817
Corporation Tax	-	40,000
PAYE and social security	45,729	40,965
Other creditors	46	73,089
Accruals and deferred income	91,834	114,719
	<u>1,491,422</u>	<u>917,825</u>

INSIGHT TRAVEL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

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 1998. 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 £30,563 (1999 - £42,952).

11. DEFERRED TAXATION

The balance of the deferred taxation provision throughout the year was £8,612.

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2000 £	1999 £
Excess of taxation allowances over depreciation on fixed assets	<u>8,612</u>	<u>8,612</u>

12. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2000 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2000 £	1999 £
Operating leases which expire:		
Within 1 year	-	19,500
Within 2 to 5 years	<u>20,000</u>	<u>-</u>
	<u>20,000</u>	<u>19,500</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:

	2000 £	1999 £
40,000 Ordinary shares of £1.00 each	<u>40,000</u>	<u>40,000</u>

Allotted, called up and fully paid:

	2000 £	1999 £
Ordinary share capital	<u>40,000</u>	<u>40,000</u>

INSIGHT TRAVEL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2000 £	1999 £
Profit for the financial year	61,730	88,827
Opening shareholder's equity funds	814,318	725,491
Closing shareholder's equity funds	<u>876,048</u>	<u>814,318</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 Wine Investments Limited, a company incorporated in Bermuda. The accounts of this company are not available to the public.