

HOTEL & TRAVEL RESERVATIONS LIMITED

**ABBREVIATED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2000**



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COMPANIES HOUSE 27/09/01

REGISTERED NUMBER: 2570321



K L A

Chartered Accountants

HOTEL & TRAVEL RESERVATIONS LIMITED

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

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HOTEL & TRAVEL RESERVATIONS LIMITED

COMPANY INFORMATION
AT 31 DECEMBER 2000

DIRECTOR

Mr Sheetal Kapoor

SECRETARY

Mr Richard Green

REGISTERED OFFICE

KLACO House
28-30 St. John's Square
London EC1M 4DN

BUSINESS ADDRESS

Europoint Centre
5-11 Lavington Street
London SE1 ONZ

AUDITORS

Kassim-Lakha Abdulla & Co
Chartered Accountants
Klaco House
28-30 St. John's Square
London EC1M 4DN

PRINCIPAL BANKERS

HSBC Bank plc
Poultry & Princes Street Branch
P O Box 648
Poultry & Princes Street
London EC2P 2BX

HOTEL & TRAVEL RESERVATIONS LIMITED

DIRECTOR'S REPORT

The director presents his annual report with the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company is to provide hotel and travel reservation services from outlets at mainline rail stations and airports throughout the UK.

No significant change in the nature of these activities occurred during the year.

REVIEW OF THE BUSINESS

The net profit after providing for taxation amounted to £268,498.

DIRECTOR AND HIS INTERESTS

The director in office in the year and his beneficial interest in the ultimate parent company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		2000	1999
Mr Sheetal Kapoor	Ordinary shares	100,000	100,000

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the director is 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 director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

CLOSE COMPANY

The company is a close company, as defined by the Income and Corporation Taxes Act 1988.

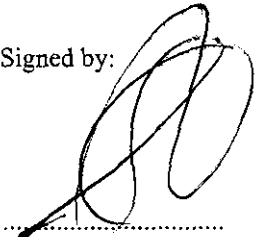
HOTEL & TRAVEL RESERVATIONS LIMITED

DIRECTOR'S REPORT

AUDITORS

The auditors, Kassim-Lakha Abdulla & Co, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

Signed by:



.....
Mr Sheetal Kapoor
Director

Date:

6/9/2001

HOTEL & TRAVEL RESERVATIONS LIMITED

AUDITORS' REPORT TO THE COMPANY PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 15 together with the full financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31 December 2000.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND AUDITORS

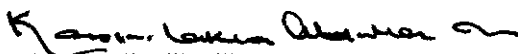
The director is responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts prepared in accordance with section 246 A(3) of the Companies Act 1985 and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion, the company is entitled to deliver abbreviated accounts prepared in accordance with section 246 A(3) of the Companies Act 1985 and the abbreviated accounts on pages 5 to 15 have been properly prepared in accordance with that provision.



Kassim-Lakha Abdulla & Co
Chartered Accountants
Registered Auditors
Klaco House
28-30 St. John's Square
London EC1M 4DN

Date: 6 September 2001

HOTEL & TRAVEL RESERVATIONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £	1999 £
GROSS PROFIT		2,783,702	2,739,816
Administrative expenses		(2,477,254)	(2,506,798)
OPERATING PROFIT	2	306,448	233,018
Investment income and interest receivable	3	78,596	64,965
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		385,044	297,983
Tax on profit on ordinary activities	5	(116,546)	(101,109)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		268,498	196,874
Dividends	6	(250,000)	(950,000)
RETAINED PROFIT / (ACCUMULATED LOSS) FOR THE FINANCIAL YEAR	13	18,498	(753,126)

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

HOTEL & TRAVEL RESERVATIONS LIMITED

ABBREVIATED BALANCE SHEET AT 31 DECEMBER 2000

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	7		146,676		152,764
Investments	8		100,000		100,000
			<u>246,676</u>		<u>252,764</u>
CURRENT ASSETS					
Debtors	9	1,992,450		2,250,230	
Cash at bank and in hand		<u>1,367,379</u>		<u>854,319</u>	
		3,359,829		3,104,549	
CREDITORS: amounts falling due within one year	10	<u>(3,109,968)</u>		<u>(2,879,274)</u>	
NET CURRENT ASSETS			249,861		225,275
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>496,537</u>		<u>478,039</u>
CAPITAL AND RESERVES					
Called up share capital	12		100,000		100,000
Profit and loss account	13		<u>396,537</u>		<u>378,039</u>
TOTAL SHAREHOLDERS' FUNDS	14		<u>496,537</u>		<u>478,039</u>

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved on 9/9/2001 and signed by:

Mr Sheetal Kapoor
Director

HOTEL & TRAVEL RESERVATIONS LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2000**

	Notes	2000 £	1999 £
Net cash inflow / (outflow) from operating activities	2	778,719	(603,320)
Returns on investments and servicing of finance	15	78,596	64,965
Taxation	15	(63,205)	(140,640)
Capital expenditure	15	(31,050)	(80,845)
Acquisitions and disposals	15	-	750,000
Equity dividends paid		(250,000)	(950,000)
Cash inflow / (outflow) before use of liquid resources and financing		513,060	(959,840)
INCREASE / (DECREASE) IN CASH IN THE YEAR		<u>513,060</u>	<u>(959,840)</u>

**RECONCILIATION OF NET CASH FLOW TO
MOVEMENT IN NET FUNDS**

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INCREASE / (DECREASE) IN CASH IN THE YEAR	513,060	(959,840)
Change in net funds resulting from cash flows	513,060	(959,840)
Movement in funds in the year	513,060	(959,840)
Net funds at 1 January 2000	854,319	1,814,159
Net funds at 31 December 2000	<u>1,367,379</u>	<u>854,319</u>

The notes on pages 8 to 15 form part of these financial statements.

HOTEL & TRAVEL RESERVATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1. STATEMENT OF ACCOUNTING POLICIES

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

Consolidation

The company forms part of a medium-sized group. The ultimate parent company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

Turnover represents the total invoice value, excluding value added tax, of services rendered during the year.

Depreciation of tangible fixed assets

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

Office furniture and fittings	20% on reducing balance
Motor vehicles	25% on reducing balance

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

Dividends are brought to account in the profit and loss account when received.

Deferred Taxation

Deferred Taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

2. OPERATING PROFIT

Operating profit is stated	2000	1999
	£	£
After charging:		
Depreciation of fixed assets	37,138	42,168
Loss on assets scrapped	-	44,195
Auditors' remuneration	13,850	14,146
Operating lease rentals		
Land and buildings	414,156	521,470
	<u>414,156</u>	<u>521,470</u>

HOTEL & TRAVEL RESERVATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

2. OPERATING PROFIT - (continued)

Reconciliation of operating profit to net cash inflow / (outflow) from operating activities

	2000	1999
	£	£
Operating profit	306,447	233,018
Depreciation	37,138	42,168
Loss on assets scrapped	-	44,195
Decrease / (increase) in debtors	257,780	(1,178,685)
Increase in creditors	177,354	255,984
Net cash inflow / (outflow) from operating activities	778,719	(603,320)

3. PROFIT / (LOSS) ON DISPOSAL OF FIXED ASSETS

	2000	1999
	£	£
Tangible fixed assets	-	44,195

3. INVESTMENT INCOME AND INTEREST RECEIVABLE

	2000	1999
	£	£
Interest received and receivable		
Bank interest	78,596	64,965

4. INFORMATION ON DIRECTOR AND EMPLOYEES

	2000	1999
	£	£
Staff costs		
Wages and salaries	1,258,399	1,157,726

	2000	1999
	No.	No.
The average number of employees during the year was made up as follows:		
Management	4	4
Administration	20	22
Sales	61	67
	85	93

HOTEL & TRAVEL RESERVATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

4. INFORMATION ON DIRECTOR AND EMPLOYEES - (continued)

	2000 £	1999 £
Director's emoluments		
Emoluments	81,000	44,220

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
The taxation charge comprises:		
Current tax on income for the year	116,546	101,109

6. DIVIDENDS PAID OR PROPOSED

	2000 £	1999 £
On ordinary shares:		
Interim dividends		
Dividend - shares in Europoint Centre (London) Ltd	-	750,000
Dividend - cash	250,000	200,000

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Total £
Cost:			
At 1 January 2000	355,206	17,000	372,206
Additions	28,195	7,500	35,695
Disposals	-	(17,000)	(17,000)
At 31 December 2000	383,401	7,500	390,901
Depreciation:			
At 1 January 2000	207,088	12,354	219,442
Charge for year	35,263	1,875	37,138
On disposals	-	(12,355)	(12,355)
At 31 December 2000	242,351	1,874	244,225
Net book value:			
At 31 December 2000	141,050	5,626	146,676
At 31 December 1999	148,118	4,646	152,764

HOTEL & TRAVEL RESERVATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

8. INVESTMENTS

Cost or valuation: **Beginning and
end of year
£**

Other investments 100,000

Other investments other than loans

Shares in related undertakings:

Cost or valuation: **Beginning and
end of year
£**

Shares:

Group undertaking 100,000

Net book value 100,000

Financial information summary:

Name and country of incorporation	Type of shareholding	Proportion held
London Hotels Discounted Reservations (GB) Limited	Ordinary shares	100%
Concordia Hotel Reservation Inc., Canada	Ordinary shares	100 %

The aggregate amount of capital and reserves and the results of these undertakings for the last financial year were as follows:-

	Capital and reserves	Results
	£	£
London Hotels Discounted Reservations(GB) Limited (31/3/99)	(143,986)	-
Concordia Hotel Reservation Inc. (As at 31 May 1999)	148,923	3,002
	<u>4,937</u>	<u>3,002</u>

The director considers the value of the company's investment in its subsidiary undertaking is at least the amounts at which they are stated in the company's balance sheet.

HOTEL & TRAVEL RESERVATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

9. DEBTORS

	2000	1999
	£	£
Trade debtors	219,737	591,168
Amounts owed by group undertakings	1,521,923	1,557,358
Other debtors	90,677	23,401
Prepayments and accrued income	160,113	78,303
	<u>1,992,450</u>	<u>2,250,230</u>

10. CREDITORS: amounts falling due within one year

	2000	1999
	£	£
Trade creditors	1,999,032	1,647,699
Corporation tax	110,877	57,536
Other taxes and social security costs	95,609	95,098
Other creditors	44,143	19,815
Accruals and deferred income	860,307	1,059,126
	<u>3,109,968</u>	<u>2,879,274</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

	Not provided		Provided	
	2000	1999	2000	1999
	£	£	£	£
Deferred tax is calculated at 30% (1999 - 30%) analysed over the following timing differences:				
On the excess of capital allowances over depreciation	<u>9,639</u>	<u>-</u>	<u>-</u>	<u>-</u>

HOTEL & TRAVEL RESERVATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

12. SHARE CAPITAL

	2000	1999
	£	£
Authorised:		
Equity interests:		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid:		
Equity interests:		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

13. PROFIT AND LOSS ACCOUNT

	2000	1999
	£	£
Retained profit as at 1 January 2000	378,039	1,131,165
Profit / (loss) for the year	<u>18,498</u>	<u>(753,126)</u>
Retained profit as at 31 December 2000	<u>396,537</u>	<u>378,039</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit for the year	268,498	196,874
Dividends	<u>(250,000)</u>	<u>(950,000)</u>
Net addition / (reduction) to shareholders' funds	18,498	(753,126)
Opening shareholders' funds	<u>478,039</u>	<u>1,231,165</u>
Closing shareholders' funds	<u>496,537</u>	<u>478,039</u>
Represented by:-		
Equity interests	<u>496,537</u>	<u>478,039</u>

HOTEL & TRAVEL RESERVATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

15. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000	1999
	£	£
Returns on investments and servicing of finance		
Interest received	78,596	64,965
Net cash inflow from returns on investments and servicing of finance	<u>78,596</u>	<u>64,965</u>
Taxation		
Corporation tax paid	(63,205)	(142,791)
Corporation tax received	-	2,151
Net cash outflow from taxation	<u>(63,205)</u>	<u>(140,640)</u>
Capital expenditure		
Purchase of tangible fixed assets	(35,695)	(80,845)
Receipts from sale of tangible fixed assets	4,645	-
Net cash outflow from capital expenditure	<u>(31,050)</u>	<u>(80,845)</u>
Acquisitions and disposals		
Transfer of investment in subsidiary to Ultimate parent company by way of dividend	-	750,000
Net cash (outflow) / inflow from acquisitions and disposals	<u>-</u>	<u>750,000</u>

16. ANALYSIS OF CHANGES IN NET FUNDS

	1999	Cash flow	2000
	£	£	£
Cash at bank and in hand	<u>854,319</u>	<u>513,060</u>	<u>1,367,379</u>

HOTEL & TRAVEL RESERVATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

17. REVENUE COMMITMENTS

At the year end the company was committed to making the following payments during the next year in respect of operating leases with expiry dates as follows:

	Land and buildings		Other	
	2000	1999	2000	1999
	£	£	£	£
Within one year	420,000	390,000	-	-
More than one year and less than five years	1,680,000	1,560,000	-	-
	<u>2,100,000</u>	<u>1,950,000</u>	<u>-</u>	<u>-</u>

18. TRANSACTIONS WITH DIRECTORS

	2000	1999
	£	£
Amounts owed to directors		
Director's current account	<u>34,050</u>	<u>1,322</u>

The company receives computer and other related services on normal commercial terms from Cordex Computer Services Limited, of which Mr Sheetal Kapoor is a director and has a material interest. The value of such services received during the year was £92,370 and the balance due at year end was £12,327.

During the year the company provided services to First Options Hotel Reservations Limited of which Mr Sheetal Kapoor is a director and has a material interest. The value of such services provided at normal commercial terms is £599,000 and the balance due to the company at year end was £107,187.

During the year a motor vehicle disposed by the company was bought by the director Mr Sheetal Kapoor at market value.

19. RELATED PARTY DISCLOSURES

The company paid rent and costs of other related services amounting to £65,488 to Europoint Centre (London) Limited, a group company. The balance due at the year end was £19,413.

During the year, the company advanced £70,000 to Edward House (Stockport) Limited of which Mr Sheetal Kapoor is a director and substantial shareholder. The loan is unsecured and interest free.

20. ULTIMATE PARENT COMPANY

In the opinion of the director, the ultimate parent and controlling company is Europoint Holdings Limited, a company incorporated in Great Britain.