

**LS Travel Club Limited  
(formerly Poundbay Limited)**

**Directors' report and financial statements**

**For the period ended 31 December 1996**

Registered number 3102256



# LSI Travel Club Limited (formerly Poundbay Limited)

## Directors' report and financial statements

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# LSI Travel Club Limited (formerly Poundbay Limited)

## Directors' report

The directors present their annual report and the audited financial statements for the period ended 31 December 1996.

### Principal activities

The company was incorporated on 14 September 1995 as Poundbay Limited, and on 3 October 1995 changed its name to LSI Travel Club Limited.

The principal activity of the company is the provision of travel services to individuals who have previously purchased holiday ownership from fellow subsidiaries. The company commenced trading on 1 January 1996 following the transfer of the trade from a fellow subsidiary company.

### Business review

The results of the company are set out on page 5. The directors consider the trading results and the financial position of the company to be satisfactory.

### Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend. The profit for the period retained in the company is £268,831.

### Significant changes in fixed assets

Details of movements in fixed assets during the period are set out in note 6 to the financial statements.

### Directors and directors' interests

The directors who held office during the period and their interests in the ordinary shares of the company as recorded in the register of directors' share interests were as follows:

	Interest at beginning and end of period
IK Ganney (chairman) (appointed 22 September 1995)	-
RI Harrington (appointed 22 September 1995)	-

The interests of the directors in the share capital of the ultimate holding company, LSI Group Holdings Plc, are shown in the financial statements of that company.

# LSI Travel Club Limited (formerly Poundbay Limited)

## Directors' report


### Policy on payment of creditors

The company does not follow a specific policy on the payment of suppliers. It agrees payment terms with its suppliers when it enters into purchase contracts and adheres to these arrangements providing it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

  
**IK Ganney**  
*Director*

Pine Lake Resort  
Carnforth  
Lancaster  
LA6 1JZ

29/5/1997

# LSI Travel Club Limited (formerly Poundbay Limited)

## Statement of 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 and of the profit or loss for that period. In preparing those financial statements, the directors are 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 directors are responsible for maintaining 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Edward VII Quay  
Navigation Way  
Ashton-on-Ribble  
PRESTON  
Lancashire PR2 2YF

## Auditors' report to the members of LSI Travel Club Limited

We have audited the financial statements on pages 5 to 13.

### *Respective responsibilities of directors and auditors*

As described on page 3 the company's directors are responsible for the preparation of 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 31 December 1996 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to be 'KPMG' followed by a stylized flourish.

**KPMG**  
*Chartered Accountants*  
*Registered Auditors*

29 May 1997

# LSI Travel Club Limited (formerly Poundbay Limited)

## Profit and loss account *for the period ended 31 December 1996*

	<i>Note</i>	<b>1996</b> £
<b>Turnover</b>	<i>1</i>	1,186,193
Cost of sales		-
<b>Gross profit</b>		<hr/> 1,186,193
Administrative expenses : normal		(360,739)
: exceptional	<i>2</i>	(140,000)
Distribution expenses		<hr/> (282,369)
<b>Operating profit</b>		<hr/> 403,085
Interest receivable and similar income	<i>4</i>	203
<b>Profit on ordinary activities before taxation</b>	<i>2-3</i>	<hr/> 403,288
Tax on profit on ordinary activities	<i>5</i>	(134,457)
<b>Retained profit for the financial year</b>		<hr/> <hr/> 268,831

## Statement of total recognised gains and losses *for the period ended 31 December 1996*

There were no recognised gains and losses other than the profit for the period.

# LSI Travel Club Limited (formerly Poundbay Limited)

## Balance sheet at 31 December 1996

	Note	1996 £	£
<b>Fixed assets</b>			
Tangible assets	6		2,671
<b>Current assets</b>			
Debtors	7	2,106,462	
Cash at bank and in hand		18,067	
		<u>2,124,529</u>	
<b>Creditors: amounts falling due within one year</b>	8	(1,854,569)	
<b>Net current assets</b>			<u>269,960</u>
Provisions for liabilities and charges	9		46,200
<b>Net assets</b>			<u>318,831</u>
<b>Capital and reserves</b>			<u></u>
Called up share capital	10		50,000
Profit and loss account			268,831
<b>Equity shareholders' funds</b>			<u>318,831</u>

These financial statements were approved by the board of directors on 29/1/1997 and were signed on its behalf by:

  
**IK Ganney**  
Director



**LSI Travel Club Limited**  
**(formerly Poundbay Limited)**

**Reconciliation of movements in shareholders' funds**  
*for the period ended 31 December 1996*

	1996 £
<b>Profit for the financial period</b>	268,831
<b>New share capital subscribed</b>	50,000
<b>Net addition to shareholders' funds</b>	<hr/> 318,831
<b>Opening shareholders' funds</b>	-
<b>Closing shareholders' funds</b>	<hr/> 318,831 <hr/>

# LSI Travel Club Limited (formerly Poundbay Limited)

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

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

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of LSI Group Holdings Plc, and its cash flows are included within the consolidated cash flow statement of that company.

#### *Fixed assets and depreciation*

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures and fittings	-	20% per annum
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#### *Leases*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

#### *Taxation*

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the period.

#### *Related party transactions*

The directors have taken advantage of the exemption in FRS8, paragraph 3(c), and have not disclosed related party transactions with parent and fellow subsidiary undertakings.

# LSI Travel Club Limited (formerly Poundbay Limited)

## Notes (continued)

### 2 Profit on ordinary activities before taxation

1996  
£

*Profit on ordinary activities before taxation is stated*

*after charging*

Auditors' remuneration:

Audit	3,500
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Depreciation and other amounts written off tangible fixed assets	333
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Hire of other assets - rental under operating leases	22,000
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A provision of £140,000 has been made for the costs of relocating the company's premises during 1997.

### 3 Staff numbers and costs

The average number of persons employed by the company (excluding directors) during the period, analysed by category, was as follows:

Number of employees  
1996

Travel and reservations	30
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The aggregate payroll costs of these persons were as follows:

1996  
£

Wages and salaries	285,209
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Social security costs	24,913
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Other pension costs	5,413
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315,535

Neither director received any remuneration from the company during the period.

# LSI Travel Club Limited (formerly Poundbay Limited)

## Notes (continued)

### 4 Interest receivable

1996  
£

Other interest 203

### 5 Taxation

1996  
£

UK corporation tax at 33 % on the profit for  
the period on ordinary activities 180,657  
Deferred taxation (46,200)

134,457

### 6 Tangible fixed assets

Fixtures,  
fittings and  
equipment  
£

Total  
£

#### Cost

At beginning of period -

Additions 2,232 2,232

Intercompany transfer 859 859

At end of period 3,091 3,091

#### Depreciation and diminution in value

At beginning of period -

Intercompany transfer 87 87

Charge for period 333 333

At end of period 420 420

#### Net book value

At 31 December 1996 2,671 2,671

# LSI Travel Club Limited (formerly Poundbay Limited)

## Notes (continued)

### 7 Debtors

	1996 £
Trade debtors	677,253
Amounts owed by group undertakings	1,419,347
Other debtors	2,343
Prepayments and accrued income	7,519
	<hr/> 2,106,462
<i>The amounts owed by group undertakings comprise</i>	
Parent and fellow subsidiary undertakings	<hr/> 1,419,347

### 8 Creditors: amounts falling due within one year

	1996 £	£
Trade creditors		865,709
Amounts owed to group undertakings		513,212
Other creditors including taxation and social security:		
Corporation tax	180,657	
Other creditors	2,426	
	<hr/>	183,083
Accruals and deferred income		292,566
		<hr/> 1,854,569
<i>The amounts owed to group undertakings comprise</i>		
Parent and fellow subsidiary undertakings		<hr/> 513,212

# LSI Travel Club Limited (formerly Poundbay Limited)

## 9 Provisions for liabilities and charges

	Deferred taxation £
At beginning of year	-
Debited during year	46,200
At end of year	<u>46,200</u>

The deferred tax asset relates to a short term timing difference on certain expense provisions which will reverse in 1997.

## 10 Called up share capital

	1996 £
<i>Authorised</i>	
Ordinary shares of £1 each	100,000
<i>Allotted, called up and fully paid</i>	
Ordinary shares of £1 each	<u>50,000</u>

Ordinary shares were issued during the period to provide a capital base for the company.

## 11 Contingent liabilities

The company is a member of a group VAT registration and is jointly and severally liable for any debts due by members of the registration. At the year end the total group liability amounted to £273,000.

## 12 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	1996 Land and buildings £
Operating leases which expire:	
Within one year	-
In the second to fifth years inclusive	22,000
	<u>22,000</u>

## LSI Travel Club Limited (formerly Poundbay Limited)

### 13      **Ultimate parent company**

The largest and smallest group in which the results of the company are consolidated is that headed by LSI Group Holdings Plc, a company registered in England. The consolidated financial statements of this group are available to the public and may be obtained from the registered office at Pine Lake Resort, Carnforth, Lancaster, LA6 1JZ.