

COMPANY REGISTRATION NUMBER SC064603

INSIGHT INTERNATIONAL TOURS LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2005

HARGREAVES, BROWN & BENSON
Chartered Accountants & Registered Auditors
1 Bond Street
Colne
Lancashire
BB8 9DG



INSIGHT INTERNATIONAL TOURS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

CONTENTS	PAGE
The directors' report	1
Independent auditor's report to the shareholder	3
Profit and loss account	5
Reconciliation of movements in shareholder's funds	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9

INSIGHT INTERNATIONAL TOURS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2005

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of a holding company.

The company did not actively trade throughout the year.

RESULTS AND DIVIDENDS

The loss for the year amounted to £2,507. Particulars of dividends paid and proposed are detailed in note 5 to the financial statements.

FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 9 to the accounts.

DIRECTORS

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

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

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

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the EU.

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 of the company for that year. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 9 to 11, and then apply them consistently;

make judgements and 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; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

INSIGHT INTERNATIONAL TOURS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2005

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. The directors have, in determining how amounts are presented in the Profit And Loss Account and Balance Sheet, given regard to the substance of the reported transaction or arrangement with generally accepted accounting practice.

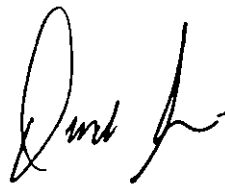
AUDITOR

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:
Gareloch House
Gareloch Road
Port Glasgow
Renfrewshire
PA14 5XH

Signed by order of the directors



D. I. D. HOWIE
Company Secretary

Approved by the directors on 27 July 2006

INSIGHT INTERNATIONAL TOURS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF INSIGHT INTERNATIONAL TOURS LIMITED

YEAR ENDED 31 DECEMBER 2005

We have audited the financial statements of Insight International Tours Limited for the year ended 31 December 2005 on pages 5 to 15 which have been prepared on the basis of the accounting policies set out on pages 9 to 11.

This report is made solely to the company's shareholder, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to them in an auditor's report 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

INSIGHT INTERNATIONAL TOURS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF INSIGHT INTERNATIONAL TOURS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2005

OPINION

In our opinion:

the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and

the financial statements have been properly prepared in accordance with the Companies Act 1985.



HARGREAVES, BROWN & BENSON
Chartered Accountants
& Registered Auditors

1 Bond Street
Colne
Lancashire
BB8 9DG

28 July 2006

INSIGHT INTERNATIONAL TOURS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	2004 £
TURNOVER		—	—
Administrative expenses		—	—
OPERATING PROFIT		—	—
Interest payable and similar charges	3	(3,581)	—
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,581)	—
Tax on loss on ordinary activities	4	1,074	(14,861)
LOSS FOR THE FINANCIAL YEAR		<u>(2,507)</u>	<u>(14,861)</u>

The notes on pages 9 to 15 form part of these financial statements.

INSIGHT INTERNATIONAL TOURS LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

YEAR ENDED 31 DECEMBER 2005

	2005	2004
	£	£
Loss for the financial year	(2,507)	(14,861)
Equity dividends paid	(4,595,246)	-
	(4,597,753)	(14,861)
Opening shareholder's equity funds	4,639,232	4,654,093
Closing shareholder's equity funds	<u>41,479</u>	<u>4,639,232</u>

The notes on pages 9 to 15 form part of these financial statements.

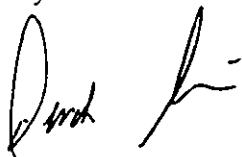
INSIGHT INTERNATIONAL TOURS LIMITED

BALANCE SHEET

31 DECEMBER 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Investments	6	13,333	13,333
CURRENT ASSETS			
Debtors	7	48,115	5,739,674
CREDITORS: Amounts falling due within one year	8	<u>19,969</u>	<u>1,113,775</u>
NET CURRENT ASSETS		<u>28,146</u>	<u>4,625,899</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>41,479</u>	<u>4,639,232</u>
CAPITAL AND RESERVES			
Called-up equity share capital	11	40,000	40,000
Profit and loss account	12	<u>1,479</u>	<u>4,599,232</u>
SHAREHOLDER'S FUNDS		<u>41,479</u>	<u>4,639,232</u>

These financial statements were approved by the directors on the 27 July 2006 and are signed on their behalf by:



D. I. D. HOWIE

The notes on pages 9 to 15 form part of these financial statements.

INSIGHT INTERNATIONAL TOURS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2005

	2005		2004	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		5,692,633		—
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest paid	(3,581)		—	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(3,581)		—
TAXATION		(14,861)		—
EQUITY DIVIDENDS PAID		(4,595,246)		—
CASH INFLOW BEFORE FINANCING		1,078,945		—
FINANCING				
Repayment of amounts owed to group undertakings	(1,078,945)		—	
NET CASH OUTFLOW FROM FINANCING		(1,078,945)		—
INCREASE IN CASH		—		—

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005		2004
	£		£
Decrease in debtors	5,692,633		—
Net cash inflow from operating activities	5,692,633		—

The notes on pages 9 to 15 form part of these financial statements.

INSIGHT INTERNATIONAL TOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments, and in accordance with International Financial Reporting Standards.

The accounts present information about the company as an individual undertaking and not about its group.

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

- FRS 20 'Share-based payment (IFRS 2)' (early adoption);
- FRS 21 'Events after the Balance Sheet date (IAS 10)';
- FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)' (Disclosure: early adoption); and
- FRS 26 'Financial Instruments: Measurement (IAS 39)' (early adoption).

FRS 20 'Share-based payment (IFRS 2)'

FRS 20 'Share-Based Payment (IFRS 2)' requires the recognition of equity-settled share-based payments at fair value at the date of the grant and the recognition of liabilities for cash-settled share-based payments at the current fair value at each balance sheet date. Prior to the adoption of FRS 20, the company did not recognise the financial effect of share-based payments until such payments were settled.

For the year ended 31 December 2004 the change in accounting policy has resulted in no changes to the accounts.

For the year ended 31 December 2005 the change in accounting policy has also resulted in no changes to the accounts.

FRS 21 'Events after the Balance Sheet date (IAS 10)'

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

This change in accounting policy has not resulted in any prior year adjustment for the company.

INSIGHT INTERNATIONAL TOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES *(continued)*

FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)' and FRS 26 'Financial Instruments: Measurement (IAS 39)'

The adoption of FRS 25 and FRS 26 (Disclosure, presentation and measurement of financial instruments) has resulted in a change in the way the company determines whether a financial instrument is a financial asset or liability, or an equity instrument. The basis for measurement of the value attributed to financial instruments has also been revised.

The adoption of FRS 25 and FRS 26 has not resulted in any prior period adjustment on the results for the preceding period, nor is there any effect on the results for the current period.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEC and in accordance with Section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts. The immediate parent company which prepares and files group accounts is Insight Group Limited.

Fixed assets

All fixed assets are initially recorded at cost.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

INSIGHT INTERNATIONAL TOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES *(continued)*

Investments

Non current investments excluding marketable securities are carried at cost and adjustments are made only where, in the opinion of the directors, the investment is impaired. Where an investment has been impaired it is recognised as an expense in the period in which the impairment is identified.

Investments in subsidiary undertakings are stated at cost less amounts written off. Provisions are made to write down the carrying values to the net asset values of investments, where this is below original cost.

2. PARTICULARS OF EMPLOYEES

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

	2005	2004
	No	No
Number of management staff	<u>2</u>	<u>2</u>

No salaries or wages have been paid to employees, including the directors, during the year.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£	£
Interest on overdue corporation tax	<u>3,581</u>	<u>-</u>

4. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2005	2004
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 30% (2004 - 30%)	(1,074)	-
Over/under provision in prior year	<u>-</u>	<u>14,861</u>
Total current tax	<u>(1,074)</u>	<u>14,861</u>

INSIGHT INTERNATIONAL TOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

4. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 30% (2004 - 30%).

	2005 £	2004 £
Loss on ordinary activities before taxation	<u>(3,581)</u>	-
Tax on loss on ordinary activities @ 30%	(1,074)	-
Adjustments to tax charge in respect of previous periods	-	14,861
Total current tax (note 4(a))	<u>(1,074)</u>	<u>14,861</u>

5. DIVIDENDS

Dividends on equity shares

	2005 £	2004 £
<i>Paid:</i>		
Equity dividends on ordinary shares	<u>4,595,246</u>	-

6. INVESTMENTS

Investments in subsidiary undertakings

	£
COST	
At 1 January 2005 and 31 December 2005	<u>103,714</u>
AMOUNTS WRITTEN OFF	
At 1 January 2005 and 31 December 2005	<u>90,381</u>
NET BOOK VALUE	
At 31 December 2005	<u>13,333</u>
At 31 December 2004	<u>13,333</u>

INSIGHT INTERNATIONAL TOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

6. INVESTMENTS *(continued)*

Details of the principal subsidiary undertakings at the balance sheet date are as follows:

The company owns 100% of the issued share capital of the companies listed below, all of which are Tour Operators or General Sales Agents for Tour Operators.

Name of company	Country of incorporation
*Insight Vacations (Canada) Limited	Canada
*Insight Vacations, Inc.	USA
Destination America Inc.	USA
Insight Air Tours Inc.	USA
TravCorp U.S.A., Inc.	USA
*Insight Vacations Pty Limited	Australia
*Insight Vacations (NZ) Limited	New Zealand
*Insight Vacations (S) Pte Limited	Singapore

Subsidiaries marked with an asterisk are directly owned subsidiaries of Insight International Tours Limited.

7. DEBTORS

	2005	2004
	£	£
Amounts owed by group undertakings	47,041	5,739,674
Corporation tax repayable	1,074	—
	<u>48,115</u>	<u>5,739,674</u>

8. CREDITORS: Amounts falling due within one year

	2005	2004
	£	£
Amounts owed to group undertakings	19,969	1,098,914
Corporation tax	—	14,861
	<u>19,969</u>	<u>1,113,775</u>

INSIGHT INTERNATIONAL TOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

(c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Liquidity risk

The company at all times maintains adequate committed credit facilities in order to meet all its commitments as and when they fall due. There are no long term borrowings.

10. RELATED PARTY TRANSACTIONS

Transactions with related parties

There were no transactions with related parties such as are due to be reported in accordance with IAS 24.

Balances with related parties

Amounts owed by related parties:

Immediate parent company	40,000	5,732,633
Fellow subsidiary undertakings	7,041	7,041

Amounts owed to related parties:

Fellow subsidiary undertakings	(19,969)	(1,098,914)
--------------------------------	----------	-------------

Details of the company's immediate parent and of the ultimate controlling party are included at note 13.

INSIGHT INTERNATIONAL TOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

11. SHARE CAPITAL

Authorised share capital:

	2005 £	2004 £
400,000 Ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
Equity shares				
Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

12. PROFIT AND LOSS ACCOUNT

	2005 £	2004 £
Balance brought forward	4,599,232	4,614,093
Loss for the financial year	(2,507)	(14,861)
Equity dividends paid	<u>(4,595,246)</u>	<u>—</u>
Balance carried forward	<u>1,479</u>	<u>4,599,232</u>

13. ULTIMATE PARENT COMPANY

The company's immediate 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.