

Date: 2 February 2011  
On behalf of: Travelzest plc ("Travelzest" or the "Group")  
Embargoed until: 0700 hrs

## Travelzest plc

### ▪ Preliminary unaudited results for the year to 31 October 2010

Travelzest plc (AIM:TVZ), the UK and Canadian holiday retailer, is pleased to announce its preliminary unaudited results for the year to 31 October 2010.

#### Financial Highlights

- Record level of cash flows generated from operations, up 513% to £4.9 million (2009: £0.8 million)
- Record level of underlying\* operating profit increased 11% to £6.1 million (2009: £5.5 million)
- Record level of underlying operating profit less separately disclosed items, which increased 56% to £4.2 million (2009: £2.7 million)
- Record level of total transaction value, increased 15% to £217.6 million (2009: £189.5 million)
- Revenue value increased 14% to £43.8 million (2009: £38.3 million)
- Gross profit increased 18% to £24.5 million (2009: £20.8 million)
- Separately disclosed items decreased 32% to £1.9 million (2009: £2.8 million)
- Basic loss per share of 8.80p (2009: 1.52p profit per share) which was negatively affected primarily due to a charge of £11.3 million for goodwill impairment

\* Underlying operating profit is adjusted for amortisation of intangible assets & goodwill impairment, separately disclosed items and excludes the profit & loss impact of options and warrants

#### Operational Highlights

- Unification of group strategies and operations leveraging resources and ideas across the Group
- Continued strong performance from the Group's North American operations
- Launch of luxury brand Travelzest Holidays to UK market to promote all merchant product through one distribution channel
- Consolidation of UK Operations:
  - Reduction from seven offices to three, with launch of main Cheltenham hub
  - Reduction of reservation and inventory management systems from seven to two
  - Reduction from four accounting systems to one integrated system
- itravel2000 has extended its partnerships with:
  - Petro Canada Points loyalty program with 4 million active members;
  - the Mexico Tourism Board and multiple Mexican destination convention centres and visitor bureaus; and
  - the Universal Orlando Resort for promotion in the Canadian market, including the launch of the Wizarding World of Harry Potter in Florida
- Independent recognition from industry observers of the quality of service provided by Travelzest Group, including:
  - itravel2000 named one of six "Funtastic" travel partners for 2010 by Carnival Cruise Lines and the only Canadian partner in the group
  - itravel2000 recognised by Super Clubs as Canada's Top Producing agency in 2010 for the sixth year running
  - The Cruise Professionals acknowledged as One of the World's 126 Top Travel Specialists by the elite Conde Nast Traveller magazine
  - VFB Holidays voted favourite merchant by Which? Members

**Jonathan Carroll, Travelzest's Chief Executive Officer, commented:**

*"We are very delighted with the results for our financial year 2010. The Travelzest team has performed exceptionally well in a very difficult trading environment and has worked beyond expectations in restructuring and building a sound foundation for Travelzest to develop and grow in the future."*

- Ends -

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**Notes to Editors:**

**About Travelzest**

[Travelzest plc](#) (LSE:TVZ.L) is a dynamic travel group, with a collection of online travel retailers and specialized merchant operators, with operations in five countries. Included in the Travelzest agency family are [Travelzest Holidays](#), [itravel2000](#), [The Cruise Professionals](#), [holiday.co.uk](#), [flight.co.uk](#), [Fair's Fare](#), [Wow House](#), and in the Travelzest merchant family are [Best of Morocco](#), [VFB Holidays](#), [Peng Travel](#), [Faraway Holidays](#), [The Malaysia Experience](#), [Tapestry Collection](#), [Captivating Cuba](#), [JMB Travel](#). Travelzest is traded on London's AIM Exchange under the symbol TVZ.

## Chairman's statement

The year to 31 October 2010 was the first full year for Travelzest under the executive leadership of Jonathan Carroll and Jack Fraser, who were appointed in May 2009. It was a year of progress and improvement.

The restructuring of the Group's operations, which commenced in 2009, continued apace and this investment has begun to yield benefits. We simplified our operating structure and now have an integrated and common approach to advertising, marketing, product purchase and support services. The aim of this simplification is to provide better management of our businesses and share common skills and customer information between our North American and UK operations.

The consequence of this reorganisation is that Travelzest is evolving from a group of independently managed businesses to a single, unified entity with common controls, processes and governance. This gives greater efficiency and will provide information to enable us to manage the Group effectively.

The Group sells overseas holidays and travel to clients who live mainly in the United Kingdom and North America. Our model provides us with a diversity of geography, currency, seasonality and distribution. This diversity is a strength in an industry where an excessive exposure to any of these risks is potentially very damaging. The power of Travelzest's brands and the retailing ability of our businesses, particularly those in Canada, gives us attractive markets to exploit and the ability to create value for shareholders. Travelzest's ambition is to be our customers' advocate in finding them the most attractive holidays and the best experiences.

Your Board is very pleased with the progress made. We expect to see additional benefits of the reorganisation in forthcoming years and believe the Group is well positioned to prosper through the market and economic cycles which are a feature of the travel industry.

We are also in the process of discussing with a number of UK and Canadian banks a refinancing of our facilities on more advantageous terms than those that we currently enjoy. Once in place, this will put the Group in a yet stronger position to capitalise on the market opportunities that we foresee.

### Results

Total transaction value has grown 15% to £217.6 million from £189.5 million. Revenue increased 14% to £43.8 million from £38.3 million. Gross profit improved 18% to £24.5 million from £20.8 million, and underlying operating profit before separately disclosed items increased 11% to £6.1 million from £5.5 million.

As part of the Group restructuring that has been undertaken, your Board has decided to fully amortise the remaining goodwill of £11.3 million relating to our UK businesses. This decision was taken after reviewing the performance of the UK operations since they were acquired and the ability of the UK operations to generate improved returns in the near future.

The basic loss per share of 8.80p (2009: 1.52p profit per share) is based on a loss of £12,769,000 (2009: profit of £719,000) and 145,136,110 (2009: 47,231,425) shares of 2p, being the average number of shares in issue during the year.

The Company ended the year with net debt of £8.8 million (2009: £9.6 million).

A description of the performance of the Group's operations is given in the Chief Executive's statement.

### Acquisitions

The Board is dedicated to creating value for shareholders and we will continue to explore opportunities to acquire businesses, at the right price, which complement the Group's strategy and operational structure.

**People**

I thank all who work for the Travelzest group of companies for their dedication and endeavour. Every year brings its challenges in the travel industry and last year was no exception. We had a difficult economic environment on both sides of the Atlantic, compounded by the quite unforeseen disruption caused by the Icelandic ash cloud. Throughout, our people worked hard and selflessly, serving our clients and helping build a successful Travelzest.

Peter Thomson retired as a Non Executive Director on 12 March 2010. Peter was always independent and challenging and we thank him for his service. We are fortunate that Nigel Jenkins joined the Board on 12 April 2010 as a Non Executive Director. Nigel is steeped in the travel industry having worked for, inter alia, First Choice, and having established his own successful business, Unijet. He is also a director of All Leisure Group plc.

**Outlook**

We are cautiously optimistic about our markets for the next 12 months. The UK economic climate is likely to remain difficult, with consumer confidence dented by public sector expenditure cuts. However, we are more positive about the Canadian economy, which accounts for a substantial portion of our North American activity. Here we see an improvement in consumer confidence, which we hope will be translated into new business for the Group. As ever, the late booking market is important and we continue to focus marketing effort on this area.

**Mark T J Molyneux**  
**Chairman**

## Chief Executive's statement

I am delighted with our results for financial year 2010. We have overcome some very challenging internal and external obstacles to produce a strong performance for the year and to build an excellent platform for the future. The past two years have brought great change for Travelzest and the way we manage our business. We are now in a position to capitalise on these changes and develop the Group in a more efficient and strategic way.

In the past year we encountered a series of challenging market events. These motivated our team to work beyond the normal call to achieve success. The events of particular note were the closure of many airports in Europe and one in Canada as a result of the Icelandic ash cloud, and the demise of Skyservice Airlines in Canada. Both these events caused some of our clients enormous disruption and problems which we resolved for them. These issues were addressed while we were facing a difficult economic situation around the world that put enormous pressure on consumers choosing their travel holidays and destinations.

### **Group performance**

The Group has produced record financial results with transaction value growth of 15% to £217.6 million. This is the first time in the Company's history that we have achieved a transaction level over £200 million, despite the difficult trading environment all of which was achieved through organic growth. This organic growth was primarily driven by our North American operations, which performed strongly. Revenue was up 14% to £43.8 million, gross profit up 18% to £24.5 million, and underlying operating profit up 11% to £6.1 million. Perhaps the most significant financial achievement in the year was the increase in cash generated from operations, up 513% to £4.9 million. This allowed the Company to execute on its strategic plans and to service its debt facilities as restructured in 2009.

During the year we completed the largest part of the restructuring of the Group. The tasks involved were not trivial and their completion within the time frame we set was challenging. We have completed in one year the consolidation of nine reservation systems to four, five accounting systems to one, and 10 offices to six. The management of the organisation has shifted from a brand-based to predominately functionally-based structure with common marketing, purchasing, accounting and human resource practices. These actions will enable us to develop and manage new strategies that will allow us to grow the Group substantially.

The shared services structure provides the ability to manage the Group more efficiently with better control over our operations. It also provides a level of governance that gives the Board the confidence that our team is performing and managing as expected.

### **North American Operations**

Our team in North America performed exceptionally well with both itravel2000 and The Cruise Professionals having a strong year. We continue to develop our product suite to offer more choice to our North American customers and will launch new products in 2011 that will advance this strategy. In 2011 we will review our distribution channel capabilities in both itravel2000 and The Cruise Professionals. We believe we can build on our successes and develop these channels further, enhancing our service and improving our conversion rate.

We will also be launching our new upper mid-market/luxury offer through Travelzest Holidays into North America. This will complement our current offer to this market segment, which books through The Cruise Professionals, and will also provide a more complete offering of land and air products.

## United Kingdom Operations

Our team in the UK underwent considerable change in 2010, with the consolidation of five of our offices into one new integrated office in Cheltenham. With eight of our 10 brands in the UK now managed by the team in this facility, we are seeing new strategies being discussed on how to reinvigorate our offering to new and former customers. We have recently launched a new inventory and reservation system that will service nine of the 10 brands in the UK, and which is capable of expansion into new jurisdictions and currencies. This is a core strategy for our distribution in the UK as it allows us to promote and manage our complete suite of products from our legacy seven merchant brands. It also allows the promotion of new products from our integrated merchants or third party suppliers.

## Separately disclosed items

During the year the Group incurred separately disclosed costs totalling £1.9 million (2009: £2.8 million), a 32% reduction from the prior year. These have been separately disclosed to enable a better understanding of the results of the Group.

Separately disclosed items:	2010 Unaudited £'000	2009 £'000
Share-based payment charge/(credit)	130	(557)
Move and other new project start up costs	121	20
Corporate restructuring costs	84	1,187
Operational companies' restructuring costs	816	1,998
Placing fees	-	127
Ash cloud and other non-recoverable costs	345	-
Loss on disposal of tangible and intangible fixed assets	421	-
Total	<u>1,917</u>	<u>2,775</u>

## Financing

We are currently reviewing our financing needs for the next three years and have begun discussions with several banks in both the UK and Canadian markets to identify the best commercial terms available. Once in place, this new financing will put the Group in a yet stronger position to capitalise on the market opportunities that we foresee.

## Summary

We are excited about the next 12 months and the opportunities our new structure presents. I cannot over-emphasise our appreciation to the team that has stuck with us through the changes we have made and in the difficult market conditions. We are extremely proud of their achievement in such a short period. Jack Fraser and I thank them for their dedication and contribution.

We now have a team and structure focused for growth.

**Jonathan Carroll**  
Chief Executive

# Consolidated income statement

	Notes	Year to 31 October 2010 Unaudited £'000s	Re-presented* Year to 31 October 2009 £'000s
Total transaction value	2	<u>217,645</u>	<u>189,456</u>
Revenue	2	43,805	38,349
Cost of sales		<u>(19,342)</u>	<u>(17,506)</u>
Gross profit		24,463	20,843
Administrative expenses		(32,462)	(19,550)
Operating (loss)/profit	2	<u>(7,999)</u>	<u>1,293</u>
Analysed as:			
Underlying operating profit		6,099	5,466
Separately disclosed items		(1,917)	(2,775)
Amortisation of intangible assets & goodwill impairment		(12,181)	(1,398)
		<u>(7,999)</u>	<u>1,293</u>
Finance income	3	9	105
Finance costs	3	(1,919)	(1,440)
Loss on ordinary activities before taxation		<u>(9,909)</u>	<u>(42)</u>
Income tax (expense)/credit	4	(2,860)	761
(Loss)/profit for the year		<u>(12,769)</u>	<u>719</u>
Basic (loss)/earnings per share	5	(8.80)p	1.52p
Fully diluted (loss)/earnings per share	5	(8.80)p	1.52p

All results are from continuing operations.

\* Refer to Note 7

# Consolidated statement of comprehensive income

	Year ended 31 October 2010 Unaudited £000s	Year ended 31 October 2009 £000s
<b>(Loss)/profit for the year</b>	<b>(12,769)</b>	719
<b>Other comprehensive income:</b>		
Currency translation differences	(578)	(2,661)
Movement in cash flow hedge	292	(198)
<b>Other comprehensive income, net of tax</b>	<b>(286)</b>	<b>(2,859)</b>
<b>Total comprehensive income for the year</b>	<b>(13,055)</b>	<b>(2,140)</b>

# Consolidated balance sheet

	31 October 2010 Unaudited £000s	Re-presented* 31 October 2009 £000s
<b>ASSETS</b>		
<b>Non-current assets</b>		
Deferred tax	-	1,351
Goodwill	29,809	41,129
Intangible fixed assets	2,619	3,202
Property, plant and equipment	1,262	1,435
	<u>33,690</u>	<u>47,117</u>
<b>Current assets</b>		
Inventories	18	64
Trade and other receivables	7,560	8,174
Derivative financial instruments	190	373
Cash and cash equivalents	5,850	5,585
	<u>13,618</u>	<u>14,196</u>
<b>Total assets</b>	<u>47,308</u>	<u>61,313</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent company</b>		
Share capital	2,903	2,903
Share premium account	31,456	31,524
Merger reserve	2,320	2,320
Translation and hedge reserve	(5,130)	(4,844)
Retained earnings	(12,749)	(129)
<b>Total equity</b>	<u>18,800</u>	<u>31,774</u>
<b>Non-current liabilities</b>		
Trade and other payables	622	6
Borrowings	9,733	13,144
Obligations under finance leases	273	347
Deferred tax	484	871
	<u>11,112</u>	<u>14,368</u>
<b>Current liabilities</b>		
Trade and other payables	10,031	11,430
Borrowings	4,503	1,596
Obligations under finance leases	107	88
Derivative financial instruments	1,247	1,691
Current tax liabilities	1,508	366
	<u>17,396</u>	<u>15,171</u>
<b>Total liabilities</b>	<u>28,508</u>	<u>29,539</u>
<b>Total equity and liabilities</b>	<u>47,308</u>	<u>61,313</u>

\*Refer to Note 7

# Consolidated cash flow statement

		Year ended 31 October 2010 Unaudited £000s	Year ended 31 October 2009 £000s
	Notes		
<b>Cash flows from operating activities</b>			
Cash generated from operations	6	4,936	754
Income taxes paid		(754)	(42)
<b>Net cash flow from operating activities</b>		<u>4,182</u>	<u>712</u>
<b>Cash flow from investing activities</b>			
Interest received		9	32
Acquisition of subsidiary		-	(11)
Purchases of property, plant and equipment and intangible assets		(707)	(446)
Disposal of property, plant and equipment and intangible assets		-	216
<b>Net cash used in investing activities</b>		<u>(698)</u>	<u>(209)</u>
<b>Cash flow used in financing activities</b>			
Repayment of borrowings		(1,729)	(1,500)
Interest paid		(1,748)	(1,315)
(Costs)/proceeds on issue of shares*		(68)	4,785
<b>Net cash (used in)/provided from financing activities</b>		<u>(3,545)</u>	<u>1,970</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(61)</u>	<u>2,473</u>
<b>Cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year		5,585	5,077
Effect of foreign exchange rate changes		326	(1,965)
Net movement in cash and cash equivalents		(61)	2,473
<b>Cash and cash equivalents at end of year</b>		<u>5,850</u>	<u>5,585</u>

\*Costs of £68,000 (2009: gross proceeds £5,709,000 less costs of £924,000)

# Unaudited consolidated statement of changes in equity

	Share capital £000s	Translation & hedge reserve £000s	Share premium account £000s	Merger reserve £000s	Profit and loss account £000s	Total equity £000s
At 1 November 2008	13,142	(1,985)	16,779	2,320	(291)	29,965
Comprehensive income:						
Profit for the year	-	-	-	-	719	719
Other comprehensive income:						
Movement in cash flow hedge	-	(198)	-	-	-	(198)
Foreign exchange movements	-	(2,661)	-	-	-	(2,661)
<b>Total comprehensive income</b>	-	<b>(2,859)</b>	-	-	<b>719</b>	<b>(2,140)</b>
Transactions with owners:						
Exchangeable shares	(12,524)	-	12,524	-	-	-
Issue of shares	2,285	-	3,425	-	-	5,710
Costs of share placing	-	-	(1,204)	-	-	(1,204)
Share-based payments	-	-	-	-	(557)	(557)
<b>Transactions with owners:</b>	<b>(10,239)</b>	-	<b>14,745</b>	-	<b>(557)</b>	<b>3,949</b>
At 1 November 2009	2,903	(4,844)	31,524	2,320	(129)	31,774
Comprehensive income						
Loss for the year	-	-	-	-	(12,769)	(12,769)
Other comprehensive income:						
Movement in cash flow hedge	-	292	-	-	-	292
Foreign exchange movements	-	(578)	-	-	-	(578)
<b>Total comprehensive income</b>	-	<b>(286)</b>	-	-	<b>(12,769)</b>	<b>(13,055)</b>
Transactions with owners:						
Issue of shares	-	-	(68)	-	-	(68)
Share-based payments	-	-	-	-	149	149
<b>Transactions with owners:</b>	-	-	<b>(68)</b>	-	<b>149</b>	<b>81</b>
<b>At 31 October 2010</b>	<b>2,903</b>	<b>(5,130)</b>	<b>31,456</b>	<b>2,320</b>	<b>(12,749)</b>	<b>18,800</b>

## 1 Principal accounting policies

### General information

Travelzest plc (the ‘Company’) and its subsidiaries (together, the ‘Group’) provide retail travel sales and merchant operation services.

The Company is a public limited company, which is listed on the AIM, a market operated by the London Stock Exchange plc. The address of its registered office is 2<sup>nd</sup> Floor Delta Place, 27 Bath Road, Cheltenham, Gloucestershire, GL53 7TH, United Kingdom.

### Basis of preparation

The consolidated financial statements of Travelzest plc have been prepared in accordance with IFRS as adopted by the European Union, IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. The financial statements have been prepared on a going concern basis.

### Going concern

The directors have a reasonable expectation that the Group has sufficient resources to continue to operate for the foreseeable future. The Group is currently negotiating a new debt capital structure on terms more favourable to the business.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Judgements and estimates

The preparation of the Group’s financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The following are critical judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements:

#### Revenue

Management make critical judgements in determining when to recognise income. The recognition is based on whether companies within the Group are an agent (formerly travel agent) or merchant (formerly tour operator). Revenue is recognised when it can be measured reliably. Revenue and direct expenses relating to tours arranged by the Group’s merchant operators are taken to the income statement on the date of holiday departure. Revenue relating to agency commission receivable on third party leisure travel products is recognised when earned, which is on receipt of the full payment from the customer; and for business travel products is recognised when earned, which is upon booking from the customer as bookings are ticketed immediately and are non-refundable. In all cases recognition occurs when it is probable that the economic benefits associated with the transaction will flow into the Group, and the costs incurred or to be incurred can be measured reliably.

#### Impairment

An impairment loss is recognised for the amount by which the cash-generating unit’s carrying amount exceeds its recoverable amount. Determining whether goodwill is impaired requires an estimate of value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate future cash flows from the cash-generating units and a suitable discount rate in order to calculate a fair value. In the process of measuring expected future cash flows, management makes assumptions about future gross profits. These assumptions relate to future events and circumstances. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

### Share-based payments

Management uses valuation techniques in determining the fair values of share-based payments at the date of grant; it adopts the Black-Scholes pricing model approved and unapproved options schemes, and it adopts the Monte Carlo pricing model for management incentive options. Significant inputs into the calculation include the market price at the date of grant and exercise prices. Furthermore, the calculation takes into account the future dividend yield, the share price volatility rate and risk-free interest rate.

### Fair value of financial instruments

Management uses active market quotes to measure the fair value of derivative financial instrument hedges. The effectiveness of financial instrument hedges is assessed by considering the underlying liability to which the hedge relates. If the conditions for hedge accounting are no longer met and the previously designated hedged item is measured by means of the effective interest method, the necessary adjustment of the carrying amount of the underlying transaction has to be effected over its remaining term. The carrying value of derivative assets and liabilities.

### Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The carrying value of deferred tax assets and liabilities.

### Litigation

Where the Group has an outstanding legal claim against it, an appropriate accrual or provision is recognised in respect of the expected settlement.

### **Business combinations**

Business combinations are accounted for using the purchase method. The purchase method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. On initial recognition, the assets and liabilities of the acquired subsidiary are included in the consolidated financial statements at their fair values, which are also used as the basis for subsequent measurement in accordance with the Group's accounting policies. Any deferred consideration in respect of the acquisition is held as a liability until payment is due and reflected in the initial carrying value of the subsidiary. Any subsequent changes to the amount of deferred consideration are recognised against the liability and through the income statement. Goodwill is stated after separating out identifiable assets where applicable.

### **Goodwill and other intangible assets**

Goodwill arising on acquisition represents any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. Under IFRS, goodwill is not amortised. Goodwill is recognised as an asset, and is reviewed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment is recognised immediately in the Group's income statement and is not subsequently reversed. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Impairment tests for goodwill were conducted on the basis of cash-generating units. According to the IFRS rules, a cash-generating unit is the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. Cash-generating units were established for the individual merchant operators, and for the agency businesses, in specific countries. The expected cash flows generated are discounted using rates that represent estimated weighted average cost of capital for the respective business. The approach, assumptions and results of the impairment test.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at previous UK GAAP amounts subject to being tested for impairment at that date. Goodwill written off to reserves under UK GAAP prior to 2006 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the relationship. These have been classified as Other intangible assets.

Costs that are directly associated with the purchase and implementation of web sites and unique software by the Group are recognised as intangible assets. Expenditures that enhance and extend the benefits of these items and lives are recognised as a capital improvement and added to the original cost of the website and software. Intangible assets are carried at cost less accumulated amortisation and impairment.

Other intangible assets are accounted for at cost whereby capitalised costs are amortised over their respective lives. Acquired computer software and website development are capitalised on the basis of costs incurred to acquire and install. The estimated useful economic life of these assets are as follows:

Other intangible assets	- 1 to 6 years
Website development	- 3 to 5 years
Computer software	- 3 to 5 years

### **Property, plant and equipment**

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Where costs are incurred as part of the start-up or commissioning of an item of property, plant or equipment, and that item is available for use but incapable of operating in the manner intended by management without such a start-up or commissioning period, then such costs are included within the cost of the item. Costs that are not directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management are charged to the income statement as incurred.

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

Property improvements	- 5 years
Office equipment and computer equipment	- 3 to 5 years
Motor vehicles	- 3 to 5 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

### **Financial assets**

#### **i) Classification**

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise Trade and other receivables and cash and Cash equivalents in the balance sheet.

### Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

#### ii) Recognition and measurement

The Group measures its financial assets initially at fair value. The subsequent measure depends on classification for example trade and other receivables which are fixed price are carried at amortised cost (if applicable) using an effective interest method if the time value of money is significant. Due to the nature of the businesses, credit risk is deemed low, therefore amortisation or impairment is unlikely.

### **Financial liabilities**

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are classified as financial liabilities measured at amortised cost or derivatives designated as hedging instruments.

The Group determines the classification at initial recognition and measures initially at fair value. The subsequent measurement depends on classification, for example financial liabilities measured at amortised cost having been initially recognised at fair value (in case of borrowing, fair value of proceeds net of issue costs), are subsequently measured at amortised cost (if applicable) using an effective interest method taking into account discounts and issue costs. This category of financial liability includes borrowings and trade and other payables.

Derivatives designated as hedging instruments are accounted for in accordance with the policy set out below.

### Derivative financial instruments and hedging

Derivative financial instruments are initially measured at the fair value attributable to them on the day of the conclusion of the agreement. The follow-up measurement is also effected at the fair value applicable at the respective balance sheet date. The method applied in recording profits and losses depends on whether the derivative financial instrument is classified as a hedge, and on the type of hedged item. As a matter of principle, the Group classifies derivative financial instruments either as fair value hedges to hedge exposure to changes in the fair value of assets or liabilities or as cash flow hedges to hedge exposure to risks of varying cash flows from highly probable future transactions.

Upon inception of the transaction, the Group documents the hedging relationship between the hedge and the underlying item, the risk management goal and the strategy pursued in entering into the hedges. In addition, an assessment is made both at the beginning of the hedge relationship and on a continual basis as to whether the derivatives used for the hedge compensate for the changes in the fair values or cash flows of the underlying transactions in a highly effective manner. The Group currently has no fair value hedges in place. Changes in the fair values of derivative financial instruments not achieving the criteria for hedge accounting are directly carried in the income statement.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows arising from a recognised asset or liability or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains and losses that were recognised directly in equity are reclassified into the income statement in the same period or periods during which the asset acquired or liability assumed affects profit or loss.

For cash flow hedges, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects the income statement.

Prospective hedge effectiveness is performed at the commencement of hedge accounting, and subsequently at each balance sheet date, through comparison of the critical terms of the hedged forecast transaction and the hedging instrument. Critical terms are the maturity, amount and currency of the cash flows relating to the hedging instrument and the forecast hedged transaction. Retrospective hedge effectiveness is performed at each reporting date principally using a dollar offset analysis, comparing the cumulative changes in the fair values of the forecast hedged transaction and the hedging instrument.

When a hedging instrument no longer meets the criteria for the hedge accounting, expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship, hedge accounting is discontinued prospectively. If the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity or recognised in the income statement immediately.

### **Total transaction value and revenue recognition**

Total transaction value, which is stated net of value added tax, does not represent the Company's statutory revenue. Where companies within the Group act as agent or cash collector, total transaction value represents the price at which goods or services have been sold to the consumer and is recognised on the same time basis as statutory turnover.

Revenue represents the aggregate amount of gross consideration receivable from inclusive tours, agency commissions receivable and other services supplied to customers in the ordinary course of business. Revenue and direct expenses relating to the inclusive tours arranged by the Group's merchant leisure travel providers are taken to the income statement on holiday departure. Revenue relating to agency commission receivable on third party leisure travel products is recognised when earned, which is on receipt of the full payment from the customer. Revenue relating to agency receivable on third party business travel products is recognised when earned on date of booking, which by the terms of contracts is the date the invoice is raised and the customer becomes liable for payment under the terms of their contract. In all cases recognition occurs when it is probable that the economic benefits associated with the transaction will flow into the Group, the costs incurred or to be incurred can be measured reliably. Other revenue and associated expenses are taken to the income statement as earned or incurred. Revenue and expenses exclude intra-Group transactions.

### **Income statement presentation**

Profit or loss from operations includes the results from operating activities of the Group. Separately disclosed items are those that are unusual because of their size, nature or incidence which the Group's management consider should be disclosed separately to enable a full understanding of the Group's results.

### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### **Pensions**

The Group pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### **Foreign currency**

#### **(a) Functional and presentation currency**

In the Group's financial statements, all assets, liabilities and transactions of the Group's entities are translated into sterling, the functional currency of the parent company. Average exchange rates are used to translate the income and expenses of all subsidiaries that have a functional currency other than sterling where there has been no significant fluctuation in the rate. The balance sheets of such entities are translated at period end exchange rates. On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings designated as hedges of such investments, are recognised in equity.

#### **(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. The Group's third party borrowings qualify as a hedge. Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'administrative expenses'.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was determined.

### **Share-based payments**

The Group issues share-based instruments to certain employees as part of their total remuneration at fair value. The fair values of these instruments are calculated at the date of grant, using the Black-Scholes or Monte-Carlo Simulation pricing models. These fair values are charged to the income statement on a straight-line basis over the expected vesting periods of the instruments, with a corresponding increase in equity reserves. Any waivers to share-based payments are treated as cancellations by the Group. When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The Group also issued a cash bonus award which is recorded as cash settled share-based compensation. The fair value of the cash bonus award is calculated using the Monte-Carlo Simulation pricing model at each reporting date. The fair value is charged to the income statement with a corresponding entry to non-current liabilities.

### **Basis of consolidation**

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered to be an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### **Equity and reserves**

Share capital presents the nominal value of shares that have been issued. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares and share awards are recognised as a deduction from equity, net of any tax effects.

Share premium includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium, net of any related income tax benefits.

The translation and hedge reserve includes the effects of foreign currency translation differences arising on the translation of the Group's foreign entities and the gains and loss on financial instruments designated as effective hedges are also included.

The Company was entitled to the merger relief offered by section 131 of the Companies Act 1985 in respect of the consideration received in excess of the nominal value of the equity shares issued in connection with the acquisition of Peng Travel Limited, Fair's Fare Limited and the settlement of outstanding consideration on the acquisition of Holiday Express Group Limited.

On acquisition, the investments in the Company's immediate subsidiary companies were recorded in the Company's balance sheet at the fair value of the assets acquired, with the difference between this and the nominal value of the shares issued being credited to a merger reserve.

Retained earnings include all current and prior period retained profits.

### **Brochure and advertising costs**

The costs of brochure publication and advertising including web based advertising are charged to the income statement as incurred.

### **Operating lease agreements**

In accordance with IAS 17 Leases, 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.

### **Finance lease agreements**

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and the rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and the finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the period of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

### Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is executive management, who are responsible for allocating resources and assessing performance of the operating segments.

### Cash and cash equivalents

For the purpose of the cash flow statement, cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Highly liquid investments are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. These comprise term deposits of less than one year (other than cash).

### Capital management policies and procedures

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders

by pricing holidays effectively and considering the level of risk. The Group monitors capital on the basis of the carrying value of equity plus its facility loan, less cash and cash equivalents as presented in the face of the financial statements. The Group's goal in capital management is to comply with its covenants arising under the Group's current borrowing facility.

## 2 Segment reporting - Unaudited

Management has determined the reportable operating segments based on the information which is reviewed by executive management, which is considered to be the chief operating decision maker. Executive management considers the business from an operating division perspective. For management purposes, the Group is currently organised into two operating divisions: merchant operations and agency operations. Merchant operations revenue is primarily when the Group becomes principal on the transaction and defines the terms of the transaction with the consumer. Agency operations revenue is primarily when the Group passes on to the consumer the major of the terms of sale from the ultimate supplier and earns a commission for completing the transaction.

The segment information provided to executive management for the year ended 31 October 2010 is as follows:

<b>Total transaction value</b>	<b>2010</b>	2009
	<b>£000s</b>	£000s
Merchant operations	<b>20,111</b>	19,153
Agency operations	<b>197,534</b>	170,303
	<b><u>217,645</u></b>	<u>189,456</u>

All revenues in 2010 and 2009 are in respect of external customers. The group is not reliant on any one major customer (2009: none).

## Business segments

	Merchant operations		Agency operations		Total	
	Year to 31 October		Year to 31 October		Year to 31 October	
	2010	2009	2010	2009	2010	2009
	£000s	£000s	£000s	£000s	£000s	£000s
<b>Revenue</b>	<b>20,111</b>	19,153	<b>23,694</b>	19,196	<b>43,805</b>	38,349
<b>Results</b>						
Profit from operations before depreciation	232	918	7,029	5,062	7,261	5,980
Depreciation	(37)	(41)	(282)	(251)	(319)	(292)
Amortisation of intangible assets and goodwill impairment	(11,530)	(525)	(648)	(868)	(12,178)	(1,393)
Loss on disposal of tangible and intangible assets	(411)	-	-	-	(411)	-
	<b>(11,746)</b>	352	<b>6,099</b>	3,943	<b>(5,647)</b>	4,295
Separately disclosed items					<b>(1,496)</b>	(2,775)
Central costs*					<b>(856)</b>	(227)
<b>Operating (loss)/profit</b>					<b>(7,999)</b>	1,293
Finance income					9	105
Finance costs					<b>(1,919)</b>	(1,440)
<b>Loss before tax</b>					<b>(9,909)</b>	(42)
Tax					<b>(2,860)</b>	761
<b>(Loss)/profit for year</b>					<b>(12,769)</b>	719

\*Included within central costs is £6,000 of depreciation, £3,000 of amortisation and £10,000 of loss on disposal of tangible and intangible assets (2009: £9,000, £5,000 and £Nil respectively).

During the year merchant operations spent £11,000 on capital expenditure, agency operations spent £672,000, and central operations spent £24,000 (2009: £331,000, £109,000 and £6,000 respectively).

	Merchant Operations		Agency Operations		Total	
	31 October		31 October		31 October	
	2010	Re-presented	2010	Re-presented	2010	Re-presented
	£000s	£000s	£000s	£000s	£000s	£000s
Segment assets	2,105	15,614	40,773	37,500	42,878	53,114
Unallocated corporate assets					4,430	8,199
<b>Consolidated assets</b>	<b>2,105</b>	15,614	<b>40,773</b>	37,500	<b>47,308</b>	61,313
Segment liabilities	(3,619)	(4,369)	(8,391)	(7,829)	(12,010)	(12,198)
Unallocated corporate liabilities					(16,498)	(17,341)
<b>Consolidated liabilities</b>	<b>(3,619)</b>	(4,369)	<b>(8,391)</b>	(7,829)	<b>(28,508)</b>	(29,539)
<b>Net assets</b>					<b>18,800</b>	31,774

### Group wide disclosures

The UK is the Company's country of domicile. Revenues from external customers and non-current assets are split geographically as follows:

Location	Revenue	
	Year to 31 October 2010 £000s	Year to 31 October 2009 £000s
United Kingdom	21,994	21,391
North America (formerly Canada)	21,811	16,958
<b>Group</b>	<b>43,805</b>	<b>38,349</b>

Location	Non-current assets	
	31 October 2010 £000s	31 October 2009 £000s
United Kingdom	332	12,042
North America (formerly Canada)	33,358	33,724
<b>Group</b>	<b>33,690</b>	<b>45,766</b>

Non-current assets include intangible assets and property, plant and equipment and exclude deferred tax assets. During the year £337,000 was spent on the purchase of intangible and tangible assets in the UK and £370,000 in North America (2009: £337,000 and £109,000 respectively).

### 3 Finance income/(costs)

	2010 Unaudited £000s	2009 £000s
Income from interest rate hedges	-	73
Bank interest income	9	32
<b>Finance income</b>	<b>9</b>	<b>105</b>
Bank interest expense	(1,870)	(1,440)
Expense from interest rate hedges	(49)	-
<b>Finance costs</b>	<b>(1,919)</b>	<b>(1,440)</b>
<b>Total</b>	<b>(1,910)</b>	<b>(1,335)</b>

The expenses arising from other interest rate hedges relates to the ineffective element of a basis points swap. Income arising from interest rate hedges reflects the overall credit from effective Canadian dollar and sterling interest rate swaps.

#### 4 Income tax expense

Tax expense comprises:

	<b>2010</b>	2009
	<b>Unaudited</b>	£000s
	<b>£000s</b>	
Current income taxes:		
UK corporation tax	-	-
Overseas taxation	1,927	413
Adjustments in respect of prior years	-	(739)
<b>Total current income tax</b>	<b>1,927</b>	<b>(326)</b>
Origination and reversal of temporary differences	(418)	(435)
Adjustments in respect of prior years	1,351	-
<b>Total deferred tax</b>	<b>933</b>	<b>(435)</b>
<b>Income tax expense/(credit)</b>	<b>2,860</b>	<b>(761)</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard rate of taxation in the UK of 28% as follows:

	<b>2010</b>	2009
	<b>Unaudited</b>	£000s
	<b>£000s</b>	
Loss on ordinary activities before taxation	(9,909)	(42)
Expected income tax at 28% (2009: 28%)	(2,775)	10
Amortisation and impairment	3,529	394
Brought forward tax losses no longer recognised	1,351	-
Tax losses for which no deferred income tax was recognised	672	(104)
Overseas rates differences	77	(177)
Expenses not deductible for tax purposes	6	10
Share options	-	(155)
Effective tax expenses and income relating to other periods	-	(739)
<b>Income tax expense/(credit)</b>	<b>2,860</b>	<b>(761)</b>

No current or deferred tax has been charged or credited to other comprehensive income in 2010 (2009: £Nil). Deferred tax of £34,000 has been credited to equity (2009: £Nil).

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28 per cent to 27 per cent from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1 per cent per annum to 24 per cent by 1 April 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The overall impact is not expected to be material to these financial statements.

## 5 Earnings per share - Unaudited

The basic loss per share of 8.80p (2009: 1.52p profit per share) is based on a loss of £12,769,000 (2009: profit of £719,000) and 145,136,110 (2009: 47,231,425) shares of 2p, being the average number of shares in issue during the year.

As the Group made a loss during the year, the impact of potential ordinary shares is anti-dilutive and therefore the dilutive loss per share is the same as the basic loss per share at 8.80p. In 2009, there were no share options/warrants that would constitute a dilutive calculation and therefore the dilutive profit per share was 1.52p.

## 6 Notes to the statement of cash flows

The cash flow statement showed the flow of cash and cash equivalents on the basis of a separate presentation of cash inflows and outflows from operating, investing and financing activities.

### Reconciliation of operating profit to net cash inflow from operating activities

	<b>2010</b>	2009
	<b>Unaudited</b>	
	<b>£000s</b>	£000s
Operating (loss)/profit	<b>(7,999)</b>	1,293
Amortisation	<b>861</b>	1,398
Depreciation	<b>325</b>	301
Change in inventories	<b>46</b>	(31)
Change in operating receivables	<b>(149)</b>	(1,098)
Share-based payments	<b>130</b>	(557)
Change in operating payables	<b>(19)</b>	(552)
Goodwill impairment	<b>11,320</b>	-
Loss on disposal of tangible and intangible fixed assets	<b>421</b>	-
	<b>4,936</b>	754

Included within changes in operating payables in 2009 is £280,000 relating to placing fees.

## 7 Re-presentation of the 2009 consolidated income statement and 2009 consolidated balance sheet

The 2009 income statement has been re-presented to reclassify £1,638,000 costs in respect of agents' commission from administrative expenses to cost of sales. The 2009 consolidated balance sheet has been re-presented to reclassify £350,000 derivative financial instruments from trade and other payables to derivative financial instruments and to reclassify £135,000 accrued liabilities from derivative financial instruments (current assets) to accrued liabilities.

## 8 Publication for non-statutory accounts

The figures and financial information for the financial year ended 31 October 2010 do not constitute the statutory financial statements for that year. Those financial statements have not yet been delivered to the Registrar, nor have the auditors yet reported on them.

The figures and financial information for the year ended 31 October 2009 do not constitute the statutory financial statements for that year. Those financial statements have been delivered to the Registrar and included the auditors' report which was unqualified and neither drew attention to any matters by way of emphasis nor contained a statement under either section 498(2) or 498(3) of the Companies Act 2006.