

**Insight International Tours Limited**

**Directors' report and financial  
statements**

**Registered number SC064603**

**31 December 2007**

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## Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2007

### Principal activities

The principal activity of the Company is that of a holding company

### Business review

The Company did not trade throughout the year

### Results and dividends

The result for the year is £nil (2006 £nil) Directors do not recommend the payment of a dividend for the year (2006 £nil)

### Directors and directors' interests

The directors who held office during the year were as follows

JS Boulding  
DID Howie

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company

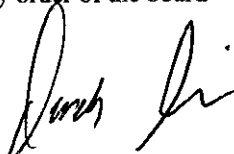
### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

### Auditors

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

By order of the board

  
**DID Howie**  
Director

Gareloch House  
Gareloch Road  
Port Glasgow  
Renfrewshire  
PA14 5XH

11 April 2008

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards and applicable law.

The financial statements are required by law to 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 period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting 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.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

St James' Square  
Manchester  
M2 6DS  
United Kingdom

## **Independent auditor's report to the members of Insight International Tours Limited**

We have audited the financial statements of Insight International Tours Limited ('the Company') which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement and the Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 2.

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 whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 within it.

### **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 judgments 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.

**Independent auditor's report to the members of Insight International Tours Limited** *(continued)*

**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 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

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**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

*15/4/* 2008

## **Income statement**

*for the year ended 31 December 2007*

During the current and previous financial year the company did not trade and received no income and incurred no expenditure. Consequently, in both years it made neither a profit nor a loss.

The notes on pages 8 to 10 form an integral part of these financial statements.

## **Statement of changes in equity**

*for the year ended 31 December 2007*

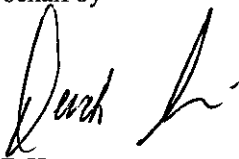
	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2006</b>	40,000	1,479	41,479
<b>At 1 January 2007</b>	40,000	1,479	41,479
<b>At 31 December 2007</b>	40,000	1,479	41,479

The notes on pages 8 to 10 form an integral part of these financial statements.

**Balance Sheet**  
*at 31 December 2007*

	<i>Note</i>	2007 £	2006 £
<b>Non Current Assets</b>			
Investments	4	13,333	13,333
		<u>13,333</u>	<u>13,333</u>
<b>Current Assets</b>			
Amounts due from related parties	5	47,040	47,040
		<u>47,040</u>	<u>47,040</u>
<b>Total assets</b>		<u>60,373</u>	<u>60,373</u>
<b>Current Liabilities</b>			
Amounts due to related parties	6	(18,894)	(18,894)
<b>Total Liabilities</b>		<u>(18,894)</u>	<u>(18,894)</u>
<b>Net Assets</b>		<u>41,479</u>	<u>41,479</u>
<b>Equity</b>			
Share capital	7	40,000	40,000
Retained earnings		1,479	1,479
<b>Total equity</b>		<u>41,479</u>	<u>41,479</u>

These financial statements were approved by the board of directors on *11 April* 2008 and were signed on its behalf by



**DID Howie**  
 Director

The notes on pages 8 to 10 form an integral part of these financial statements



**Cash Flow Statement**  
*for the year ended 31 December 2007*

<i>Note</i>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Result for the year	_____	_____
<b>Operating profit before changes in working capital</b>		
Decrease in trade and other receivables		1,074
Decrease in other payables		(1,074)
	_____	_____
<b>Net cash from operating activities</b>	_____	_____
	_____	_____
<b>Cash and cash equivalents at 31 December</b>	=====	=====

The notes on pages 8 to 10 form an integral part of these financial statements

## Notes

*(forming part of the financial statements)*

### 1 Accounting Policies

Insight International Tours Ltd (the "Company") is a company incorporated in the UK

The Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), and under the historical cost accounting rules

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group

#### Intra group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee

#### Capital Management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern

The Company has no external debt as at 31 December 2007 and is not subject to externally imposed capital requirements, management of capital therefore focuses around its ability to generate cash from its operations

### 2 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2007, and have not been applied in preparing these financial statements

Revised IAS 23 *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised IAS 23 will become mandatory for the Group's 2009 financial statements and will constitute a change in accounting policy for the Group. In accordance with the transitional provisions the Group will apply the revised IAS 23 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date

IFRIC 14 *IAS 19 – The Limited on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements (MFR) on such assets. It also addresses when a MFR might give rise to a liability. IFRIC 14 will become mandatory for the Group's 2008 financial statements, with retrospective application required. The Group has not yet determined the potential effect of the interpretation

### 3 Staff numbers and costs

The average number of persons (including directors) employed by the Company during the year, analysed by category, was as follows

	Number of employees	
	2007	2006
Management	2	2

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

**Notes (continued)**

**4 Investments**

Investments in subsidiary undertakings	£
<b>Cost</b>	
At 1 January 2007 and 31 December 2007	103,714
<b>Net book value</b>	
At 31 December 2006 and 31 December 2007	13,333

The Company owns 100% of the companies listed below, all of which are tour operators or general sales agents for tour operators

	Country of incorporation	Principal Activity	Class and percentage of shares held
*Insight Vacations (Canada) Limited	Canada	Travel and leisure	100%
*Insight Vacations Inc	USA	Travel and leisure	100%
Destination America Inc	USA	Travel and leisure	100%
Destination America Tours Limited	CAN	Travel and leisure	100%
Insight Air Tours Inc	USA	Travel and leisure	100%
TravCorp U S A Inc	USA	Travel and leisure	100%
*Insight Vacations Pty Limited	Australia	Travel and leisure	100%
*Insight Vacations (NZ) Limited	New Zealand	Travel and leisure	100%
*Insight Vacations (S) Pte Limited	Singapore	Travel and leisure	100%

\* directly owned subsidiary undertakings of Insight International Tours Limited

**5 Amounts due from related parties**

Amounts due from other members of The Travel Corporation Limited ("TTC") group, which are unsecured, non interest bearing, and payable on demand are

	2007 £	2006 £
<i>Parent Company</i>		
Insight Group Limited	40,000	40,000
<i>Other Group Company</i>		
Insight Vacations Limited	7,040	7,040

**6 Amount due to related parties**

Amounts owing to other members of the TTC group, which are unsecured, non interest bearing, and payable on demand are

	2007 £	2006 £
Insight Travel Services Limited	18,894	18,894

**Notes (continued)**

**7 Share capital**

	2007		2006	
	£		£	
<i>Authorised</i>				
400,000 Ordinary shares of £1 each		<b>400,000</b>		400,000
		<u>400,000</u>		<u>400,000</u>
	<b>2007</b>		<b>2006</b>	
	No	£	No	£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	<b>40,000</b>	<b>40,000</b>	40,000	40,000
	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
<i>Equity shares</i>				
Ordinary shares of £1 each	<b>40,000</b>	<b>40,000</b>	40,000	40,000
	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

**8 Ultimate parent company**

The Company's ultimate parent undertaking is The Travel Corporation Limited, a company incorporated in the British Virgin Islands

The largest group in which the results of the Company are consolidated is that headed by The Travel Corporation Limited, a company incorporated in the British Virgin Islands. The financial statements of this company are not available to the public. The smallest group in which they are consolidated is that headed by Insight Group Limited, a company registered in England and Wales. Copies of the consolidated financial statements of Insight Group Limited are available to the public from the Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ.