

Company Registration No. 4434749

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**Financial statements for
the year ended 31 December 2010**

bbar Restaurant Limited



bbar Restaurant Limited

Company Registration No 4434749

COMPANY INFORMATION

Directors

J J Raggett
V O'Hana

Secretary

S Dovey

Company registration number

4434749

Registered office

35 Charles Street
London
W1J 5EB

Auditors

Mazars LLP
The Atrium
Park Street West
Luton
Bedfordshire
LU1 3BE

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2010

The directors present their report and the audited financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of restaurateurs

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The company's revenue decreased in the year by 5.9% due to the current economic conditions and resulted in an increased overall loss for the year

In summary the key performance indicator that we use to monitor business performance is EBITDAR

The company is currently in a net liability position with total liabilities exceeding total assets by £2,694,942 (2009 £2,457,907) and continues to be reliant on the support of its ultimate parent

The level of cash held in the business fell by £181,224 primarily due to the loss in the year

We hope to improve on overall results in 2011

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £237,035 (2009 Loss of £67,140) The directors do not recommend the payment of a dividend (2009 £nil)

FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 15 to the accounts

DIRECTORS

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

J J Raggett
V O'Hana

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2010

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

It is proposed that Mazars LLP will continue in office in accordance with the Companies Act 2006 Section 487(2)

Signed by order of the directors


J J Raggett
Director

Date 9th May 2011

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2010**

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 the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the EU.

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 judgements 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 the financial statements comply with the Companies Act 2006. They 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.

bbar Restaurant Limited**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
bbar Restaurant Limited****YEAR ENDED 31 DECEMBER 2010**

We have audited the financial statements of bbar Restaurant Limited (company number 4434749) for the year ended 31 December 2010 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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Registered by the Institute of Chartered Accountants in England and Wales to carry out audit work.



bbar Restaurant Limited

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
bbar Restaurant Limited (continued)**

YEAR ENDED 31 DECEMBER 2010

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Lee Brook (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

The Atrium
Park Street West
Luton
Bedfordshire
LU1 3BE

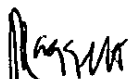
Date 9 May 2011

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2010

	Note	2010 £	2009 £
Non-current assets			
Property, plant and equipment	9	-	-
Current assets			
Inventories	10	17,775	21,829
Trade and other receivables	11	32,858	54,918
Cash and cash equivalents	12	48,938	230,162
		99,571	306,909
Total assets		99,571	306,909
Non-current liabilities			
Amounts due to related parties	13	2,737,141	2,737,279
Current liabilities			
Other payables	14	57,372	27,537
Total liabilities		2,794,513	2,764,816
Equity			
Share capital	18	1	1
Retained deficit		(2,694,943)	(2,457,908)
Total equity		(2,694,942)	(2,457,907)
Total liabilities and equity		99,571	306,909

These financial statements were approved by the directors and authorised for issue on 9 May 2011 and are signed on their behalf by


J J Haggett
Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £	2009 £
Revenue	2	736,063	782,509
Cost of sales		(892,454)	(807,715)
Gross loss		(156,391)	(25,206)
Administrative expenses		(182,561)	(158,107)
Operating loss	4	(338,952)	(183,313)
Finance income	6	30	69
Finance costs	7	(17,695)	(17,679)
Net financing expense		(17,665)	(17,610)
Loss before tax		(356,617)	(200,923)
Taxation	8	119,582	133,783
Loss for the year		(237,035)	(67,140)
Total comprehensive expense for the year		(237,035)	(67,140)

All results relate to continuing operations

STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 31 DECEMBER 2010**

	Share capital £	Retained deficit £	Total £
At 1 January 2009	1	(2,390,768)	(2,390,767)
Loss for the financial year	-	(67,140)	(67,140)
At 1 January 2010	1	(2,457,908)	(2,457,907)
Loss for the financial year	-	(237,035)	(237,035)
At 31 December 2010	1	(2,694,943)	(2,694,942)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
Cash flows from operating activities			
Loss for the year		(237,035)	(67,140)
<i>Adjustments for</i>			
Impairment of property, plant and equipment	9	29,915	-
Finance income	6	(30)	(69)
Finance costs	7	17,695	17,679
		<u> </u>	<u> </u>
Operating loss before changes in working capital		(189,455)	(49,530)
Decrease/(increase) in inventories		4,054	(4,228)
Decrease/(increase) in receivables		22,060	(24,590)
Increase in payables		29,835	1,116
		<u> </u>	<u> </u>
Cash used in operations		(133,506)	(77,232)
Interest paid		(17,695)	(17,679)
		<u> </u>	<u> </u>
Net cash used in operating activities		(151,201)	(94,911)
		<u> </u>	<u> </u>
Cash flows (used in)/from investing activities			
Interest received		30	69
Purchase of property, plant and equipment	9	(29,915)	-
		<u> </u>	<u> </u>
Net cash (used in)/from investing activities		(29,885)	69
		<u> </u>	<u> </u>
Cash flows (used in)/from financing activities			
(Decrease)/increase in amounts due to related parties		(138)	233,917
		<u> </u>	<u> </u>
Net cash (used in)/from financing activities		(138)	233,917
		<u> </u>	<u> </u>
Net (decrease)/increase in case and cash equivalents		(181,224)	139,075
Cash and cash equivalents at 1 January		230,162	91,087
		<u> </u>	<u> </u>
Cash and cash equivalents at 31 December	12	48,938	230,162
		<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2010**

1. ACCOUNTING POLICIES**Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and as issued by the International Accounting Standards Board (IASB)

These financial statements have been prepared under historical cost convention

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

Revenue recognition

Revenue is recognised from the sale of services when the amount can be measured reliably and is stated after trade discounts and other sales taxes, and is net of VAT

Property, plant and equipment

Items of property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures & Fittings	- 10% straight line
Equipment	- 20% straight line

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Operating lease agreements

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

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of comprehensive income

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2010**

1. ACCOUNTING POLICIES (continued)**Taxation (continued)**

differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Financial instruments

Financial instruments are measured initially at cost, which is the fair value of whatever was paid or received to acquire or incur them. Acquisition costs include transaction costs. All purchases and sales of investments are recognised using trade date accounting

After initial recognition, financial assets and liabilities are classified into the following categories: Fair value through the statement of comprehensive income, held to maturity investments, available for sale financial assets, and loans and receivables. A description of these measurement bases is as follows:

Fair value through profit or loss

Investments which are held for trading are accounted for at fair value through the statement of comprehensive income. Investments are treated as held for trading if they are:

- (i) acquired or incurred principally for the purpose of selling or repurchasing it in the near term,
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or
- (iii) a derivative (except for derivatives that designated as effective hedging instruments)

In addition, the group classifies investments as financial assets at fair value through statement of comprehensive income where the investment eliminates or significantly reduces valuation or recognition inconsistencies that would otherwise arise from measuring financial assets or financial liabilities, or recognising gains and losses on them, on different bases

The net gain or loss recognised in statement of comprehensive income incorporates any dividend or interest earned on the financial asset

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group positively intends, and is able, to hold until maturity. Held-to-maturity investments are initially recorded at fair value plus any directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Premiums and/or discounts arising on the purchase of such investments are included in the calculation of their effective interest rates

'Available for sale' investments

All other investments are classified as available for sale and are carried at fair value. Unrealised gains and losses other than impairments are taken directly to equity. Upon sale or maturity, the net gains and losses are included in income. Dividends are recognised in the income statement when the right to receive payment has been established

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2010**

1. ACCOUNTING POLICIES (continued)**Financial instruments (continued)***Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments and which are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are sold or impaired, as well as through the amortisation process.

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 receivables

Trade and other receivables are recognised and carried forward at amortised cost less provisions for impairment. A provision for impairment is accounted for when management deems specific trade receivable balances not be collectable. The amount of the impairment loss is recognised in the statement of comprehensive income.

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.

Trade and other payables

Trade and other payables are recognised and carried forward as amortised cost.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at fair value, 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 statement of comprehensive income when liabilities are derecognised or impaired, as well as through the amortisation process.

Interest-bearing loans and borrowings are classified as non-current liabilities where there is an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Equity

Equity investments issued are measured at proceeds received, net of direct issue costs.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES (continued)

Going concern

The company's financial statements are prepared in accordance with IFRS applicable to the going concern assumption, which contemplates the realisation of assets and liquidation of liabilities in the normal course of business. However, as shown in the accompanying financial statements, the company's total liabilities exceed its total assets by £2,694,942 at 31 December 2010. This factor creates an uncertainty about the company's ability to continue as a going concern. The company's ultimate parent has represented that it will continue to provide ongoing financial support to enable the company to meet its financial obligations and that the company will not be required to pay obligations owed to any group entities while its liabilities exceed its assets. The ability of the company to continue as a going concern is dependent on this ongoing financial support. Accordingly, the financial statements do not include any adjustments that might be necessary if the company is unable to continue as a going concern.

New standards and interpretations not yet applied (potentially relevant to the company)

IFRS 9 Financial instruments – Classification and measurement – *Effective for annual periods beginning on or after 1 January 2013*

IAS 24 Related party disclosures – Revised definition of related parties – *Effective for annual periods beginning on or after 1 January 2011*

IAS 32 Financial instruments presentation – Amendments relating to classification of rights issues – *Effective for annual periods beginning on or after 1 February 2010*

IFRIC 19 Extinguishing financial liabilities with equity instruments – *Effective for annual periods beginning on or after 1 July 2010*

2. REVENUE

The revenue and profit before tax are attributable to the one principal activity of the company. An analysis of revenue is given below.

	2010 £	2009 £
United Kingdom	736,063	782,509

3. OPERATING SEGMENTS

The group has identified that it has one operating segment within the business.

4. OPERATING LOSS

Included in the loss for the year are the following	2010 £	2009 £
Impairment of property, plant and equipment	29,915	-
Auditors' remuneration - as auditors	5,550	5,956
- other services	500	500
Operating lease costs		
Land and buildings	100,000	100,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

5. STAFF NUMBERS AND COSTS

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

	2010 Number	2009 Number
Other staff – services	17	18

The aggregate payroll costs of the above were

	2010 £	2009 £
Wages and salaries	293,458	297,296
Social security costs	28,885	25,381
	322,343	322,677

No salaries or wages were paid to the directors during the year

6. FINANCE INCOME

	2010 £	2009 £
Bank interest receivable	30	69

7. FINANCE COSTS

	2010 £	2009 £
Interest on loans from related parties (note 17)	17,695	17,679

8. TAXATION

(a) Analysis of credit in the year	2010 £	2009 £
Current tax		
Corporation tax	-	-
Adjustment in respect of prior years	119,582	133,783
Total tax credit in the statement of comprehensive income	119,582	133,783

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

8. TAXATION (continued)

(b) Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the year varies from the standard rate of corporation tax in the UK of 28% (2009 28%)

	2010 £	2009 £
Loss on ordinary activities before taxation	(356,617)	(200,923)
Loss on ordinary activities at 28% (2009 28%)	(99,853)	(56,258)
Expenses not deductible for tax purposes	3,145	360
Depreciation in excess of capital allowances claimed	5,760	-
Surrender of group relief	-	55,898
Unrelieved tax losses arising in the period	90,948	-
Adjustment to prior years	(119,582)	(133,783)
Total current tax credit (note 8(a))	(119,582)	(133,783)

(c) Factors that may affect future tax charges

No provision has been made for the deferred tax asset of £429,030 calculated at 27% (2009 £348,212 calculated at 28%) arising from depreciation of equipment, fixtures and fittings in excess of taxation allowances available and available losses

The claim for taxation allowances and the recoverability of the deferred tax asset is dependent on the availability of sufficient future taxable profits of the company against which unused taxation allowances and losses can be utilised. In such circumstances the company recognises that, at the statement of financial position date, it may not be appropriate to provide for the deferred tax asset.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

9. PROPERTY, PLANT AND EQUIPMENT	Fixtures & fittings £	Equipment £	Total £
Cost			
At 1 January 2009 and 31 December 2009	1,415,880	21,856	1,437,736
Additions	29,915	-	29,915
At 31 December 2010	<u>1,445,795</u>	<u>21,856</u>	<u>1,467,651</u>
Depreciation and impairment			
At 1 January 2009 and 31 December 2009	1,415,880	21,856	1,437,736
Impairment	29,915	-	29,915
At 31 December 2010	<u>1,445,795</u>	<u>21,856</u>	<u>1,467,651</u>
Net book value			
At 1 January 2009, 31 December 2009 and 31 December 2010	<u>-</u>	<u>-</u>	<u>-</u>
Impairment provision included in depreciation and impairment			
At 1 January 2009 and 31 December 2010	816,313	18,732	835,045
Charge for the year	29,915	-	29,915
At 31 December 2010	<u>846,228</u>	<u>18,732</u>	<u>864,960</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

10. INVENTORIES	2010 £	2009 £
Goods for resale	17,775	21,829

11. TRADE AND OTHER RECEIVABLES	2010 £	2009 £
Trade receivables	15,469	1,320
Amounts due from related parties (note 17)	-	35,484
Prepayments and accrued income	17,389	18,114
	32,858	54,918

12. CASH AND CASH EQUIVALENTS	2010 £	2009 £
Cash and cash equivalents	2,671	11,418
Call accounts	46,267	218,744
	48,938	230,162

Cash at bank and in hand bears interest at an effective rate of 0.00% (2009: 0.00%)

Call account bears interest at an effective rate of 0.03% (2009: 0.03%) and is available on demand

13. AMOUNTS DUE TO RELATED PARTIES	2010 £	2009 £
Other group companies		
Trafalgar Tours International Limited	336,377	319,668
Other Group companies (note 17)	2,400,764	2,417,611
	2,737,141	2,737,279

The loan with Trafalgar Tours International Limited bears interest at 2% above the bank base rate (see note 15). Interest accrues on its apportionment of the loan held in Rubens Management Services Limited (a group company).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

14. OTHER PAYABLES	2010 £	2009 £
PAYE and social security	11,080	7,286
Accruals	22,234	20,251
Other creditors	24,058	-
	<u>57,372</u>	<u>27,537</u>

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, as follows

- a) to finance its operations,
- b) to manage its exposure to interest risk from its operations and from its sources of finance, and
- c) for trading purposes

In addition, various financial instruments (e.g. trade receivables, trade payables, 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 has no significant concentrations of credit risk. Amounts shown in the statement of financial position best represent the maximum credit risk exposure in the event of other parties failing to perform their obligations under financial instruments

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 ultimate parent entity confirms that liabilities will not be demanded whilst the group's liabilities exceed its assets. Repayments of related party balances are not expected to be made within five years

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. Long term borrowing, where it exists, is funded from within the Travel Corporation group. The Travel Corporation Limited has guaranteed to provide any future funding requirements of the company to enable it to meet its liabilities as they fall due

Interest rate risk

The Company is exclusively funded by group borrowings

Foreign exchange risk

The Company operates exclusively within the UK and is not directly exposed to foreign exchange risk. Hedging instruments are therefore not used

Fair value

The directors are of the opinion that the carrying value of financial instruments approximates fair value

Trade and other receivables are valued at amortised cost. Impairment losses are estimated at year end by reviewing amounts outstanding and assessing the likelihood of recoverability. Group debts are all guaranteed by The Travel Corporation Limited and are therefore carried at book value as opposed to expected recoverable amount

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2010****16. COMMITMENTS UNDER OPERATING LEASES**

The company has entered into operating leases in respect of properties and equipment. The total of future minimum lease payments under non-cancellable operating leases are as follows:

	2010	2009
	£	£
Not later than one year		
Land and buildings	100,000	100,000
	<u> </u>	<u> </u>
Later than one year and not later than five years		
Land and buildings	-	100,000
	<u> </u>	<u> </u>

17. RELATED PARTY TRANSACTIONS

During the year the company received services from other members of the group as follows:

		2010	2009
		£	£
Red Carnation (U K) Limited	Management charges	116,009	85,000
Rubens Travcorp Limited	Rent charges	100,000	100,000
Trafalgar Tours International Limited	Loan interest	17,975	17,679
		<u> </u>	<u> </u>

Amounts owing from other members of the group, which are unsecured were:

	2010	2009
	£	£
Evan Evan Tours Limited	-	35,484
	<u> </u>	<u> </u>

Amounts owing to other members of the group, which are unsecured and payable outside one year were:

	2010	2009
	£	£
Trafalgar Tours International Limited	336,377	319,668
Rubens Travcorp Limited	300,000	200,000
Red Carnation (U K) Limited	2,100,764	2,217,611
	<u> </u>	<u> </u>
	2,737,141	2,737,279
	<u> </u>	<u> </u>

Details of the company's immediate parent and of the ultimate controlling party are included at note 19.

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2010****18. SHARE CAPITAL**

SHARE CAPITAL		2010	2009	
		£	£	
Authorised share capital				
100 Ordinary shares of £1 each		100	100	
		2010	2009	
	Number	£	Number	£
Allotted, called up and fully paid				
Ordinary shares of £1 each		1	1	1
Equity shares				
Ordinary shares of £1 each		1	1	1

19. CONTROLLING PARTY AND PARENT COMPANIES

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 Chesterfield (Mayfair) Limited, a company registered in England and Wales.

Copies of the consolidated financial statements of Chesterfield (Mayfair) Limited are available to the public from the Registrar of Companies.