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ETON TRAVEL AGENCY LIMITED

REPORT OF THE DIRECTORS

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The Directors submit their Report and accounts of the Company for the year ended 30 June 1985.

RESULTS AND DIVIDENDS

The results of the year and the financial position of the Company are shown in the annexed accounts. In particular the profit for the year after taxation was £36,654.

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The directors do not recommend payment of a dividend for the year.

No transfer to or from reserves has been made, leaving £99,816 profit to be retained.

REVIEW OF THE BUSINESS

The principal activity of the Company is that of Travel Agents.

In September 1984 the Company opened a new branch shop in Maidenhead, having acquired an existing business operating from the same premises, from Cromwell Travel Limited.

The progress of the company during the year accorded with expectations turnover having increased by 32% to £7,792,521. The position at the year end is regarded as satisfactory. No significant changes in the future development of the company are proposed, nor has there occurred since the end of the year any event of such significance that reference to it should be made in this report.

FUTURE DEVELOPMENTS

Preliminary indications for the 6 month period to 31 December 1985 show a further substantial increase in turnover. The Directors are negotiating to acquire a new freehold Head Office building to be constructed on a site at 100 High Street, Eton.

SHARE CAPITAL

No shares or debentures were issued during the year.

FIXED ASSETS

Details of changes in fixed assets are given in the notes to the accounts.

CLOSE COMPANY STATUS

In the opinion of the directors the company is a close company within the meaning of the Income and Corporation Taxes Act 1970.



ETON TRAVEL AGENCY LIMITED

REPORT OF THE DIRECTORS

DIRECTORS

Interests in shares

The Directors who served during the year and their respective interests (including family interests) in the shares of the company, as disclosed in the company's register of directors' share interests, were as stated below. These interests were all beneficially held.

Name	Class of Share	Number held at	
		30.6.1985	30.6.1984
Mr. J. Butler	Ordinary Shares of £1	42500	42000
Mrs. L.A. Butler	" "	5000	5000
Mr. N. Osborne	" "	500	500
Mr. M. Randerson	" "	Nil	500

Mr. Randerson resigned as a director on 8 August 1984.

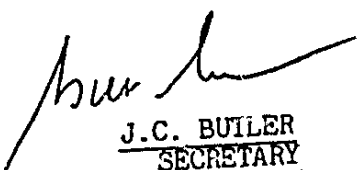
RETIREMENT AND RE-ELECTION OF DIRECTORS

Mrs. L. Butler retires by rotation and, being eligible, offers herself for re-election.

AUDITORS

The Auditors, Foreman and Hill have signified their willingness to continue in office and a resolution to re-appoint them in accordance with Section 384 Companies Act 1985 will be proposed at the Annual General Meeting.

By Order of the Board


J.C. BUTLER
SECRETARY

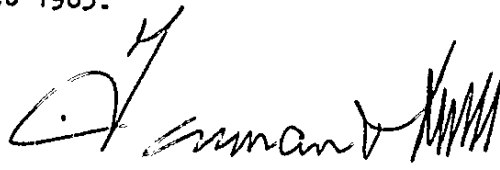
21 January 1986

Registered Office and Business Address
100 High Street,
ETON, Windsor
Berkshire.

REPORT OF THE AUDITORS TO THE MEMBERS OF
ETON TRAVEL AGENCY LIMITED

We have audited the accounts set out on pages 2 to 10 in accordance with approved auditing standards.

In our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 30th June 1985 and of the profit and source and application of funds for the year ended on that date and comply with the Companies Act 1985.



24 January 1986

FOREMAN AND HILL

CHARTERED ACCOUNTANTS

14 PARK STREET
WINDSOR
BERKS.

ETON TRAVEL AGENCY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1985

	<u>Notes</u>	<u>1985</u>	<u>1984</u>
TURNOVER	(1)	7792521	5881022
Cost of sales	(2)	(6994179)	(5330137)
GROSS PROFIT		798342	550885
Distribution costs	(2)	56575	40186
Administrative expenses	(2,4-7)	668198	426837
		(724773)	(467023)
OPERATING PROFIT	(2)	73569	83862
Other interest receivable		2636	2026
		76205	85888
Interest payable	(3)	(21551)	(10226)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		54654	75662
Tax on profit on ordinary activities	(8)	(18000)	(12500)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED PROFIT FOR THE YEAR	(19)	£ 36654	£ 63162

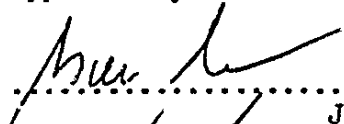
The Notes on pages 4 to 10 form an integral part
of these accounts.

ETON TRAVEL AGENCY LIMITED

BALANCE SHEET AT 30 JUNE 1985

	<u>Notes</u>	<u>1985</u>	<u>1984</u>
FIXED ASSETS			
Intangible assets	(9)	16667	3747
Tangible assets	(10)	194889	101010
		<u>211556</u>	<u>104757</u>
CURRENT ASSETS			
Stocks	(12) 8000	540	
Debtors	(13) 797434	499752	
Cash at Bank and in hand	31394	28742	
	<u>836828</u>	<u>529034</u>	
CURRENT LIABILITIES			
Creditors - Amounts falling due within one year	(14) (851205)	(506702)	
NET CURRENT (LIABILITIES)/ASSETS		<u>(14377)</u>	<u>22332</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		197179	127089
Creditors - Amounts falling due after more than one year	(14)	(49363)	(15927)
NET ASSETS		<u>£ 147816</u>	<u>£ 111162</u>
CAPITAL AND RESERVES			
Called up share capital	(18)	48000	48000
Profit and Loss Account	(19)	99816	63162

Approved by the Board


.....)
J. BUTLER)
.....) Directors

.....)
N. OSBORNE)

23 JANUARY 1986

£ 147816

£ 111162

The Notes on pages 4 to 10 form an integral part of these accounts

ETON TRAVEL AGENCY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1985

1. ACCOUNTING POLICIES

(a) Basis of accounting

The accounts are prepared under the historical cost convention.

(b) Turnover

Turnover represents the net value of services and sales, excluding Value Added Tax.

(c) Stocks

Stock is valued at the lower of cost and net realisable value, cost being the original charge for the items computed on a first-in-first-out basis.

(d) Depreciation

Depreciation is calculated to write off the cost of the fixed assets, including assets subject to hire purchase contracts, in equal annual instalments over their estimated useful lives on the following basis:

	Years
Leasehold property	Period of each lease
Office equipment	5 (1984 7 years)
Motor vehicles	4
Fixtures and fittings	7

Goodwill is being amortised over 3 years in equal annual instalments.

(e) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred, because of timing differences between the treatment of certain items for accounting and tax purposes. No provision for deferred taxation is made if there is reasonable evidence that such deferred taxation will not be payable in the foreseeable future.

(f) Foreign Currencies

Transaction in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rates of exchange ruling at the Balance Sheet date. Gains or losses in translation are included in the Profit and Loss account when realised.

ETON TRAVEL AGENCY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1985

1. (g) Finance Charges

Finance charges in respect of leased assets under finance leases and assets subject to hire purchase contracts are being apportioned over the period of the lease or contract on a straight line basis.

2. OPERATING PROFIT

This is stated after charging or crediting:	<u>1985</u>	<u>1984</u>
<u>Cost of Sales:</u>		
Tour and ticket purchases and subcontract costs	<u>£6994179</u>	<u>£5330137</u>
<u>Distribution costs:</u>		
Depreciation	10374	1713
Loss on disposal of fixed assets	720	66
Other costs	<u>45481</u>	<u>38407</u>
	<u>£ 56575</u>	<u>£ 40186</u>
<u>Administrative expenses:</u>		
Audit fee and expenses	3000	2000
Depreciation	29589	10066
Amortisation of Goodwill	12080	-
Other costs (Note 7)	616579	414771
Loss on disposal of fixed assets	<u>6950</u>	<u>-</u>
	<u>£ 668198</u>	<u>£ 426837</u>

3. INTEREST PAYABLE

On bank loans, overdrafts, and other loans:		
Repayable within 5 years, not by instalments	9910	8365
Repayable within 5 years by instalments	<u>11641</u>	<u>1861</u>
	<u>£ 21551</u>	<u>£ 10226</u>

ETON TRAVEL AGENCY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1985

	<u>1985</u>	<u>1984</u>
4. DIRECTORS EMOLUMENTS		
Remuneration	50340	61224
Pension premiums	2017	2296
Total Emoluments	<u>£ 52537</u>	<u>£ 63520</u>

5. DIRECTORS' INTERESTS IN CONTRACTS, TRANSACTIONS OR ARRANGEMENTS

There were no material contracts, transactions or arrangements during the year in which any director had an interest other than a service contract.

6. ADDITIONAL INFORMATION RELATING TO EMPLOYEES

Staff costs (including directors) during the year amounted to:

Salaries	310890	233199
Social security costs	29674	22918
Other pension costs	7333	7752
	<u>£ 347897</u>	<u>£ 263869</u>

The average weekly number of persons employed by the company was 57 (1984 - 53) split into the following categories:

	<u>Number 1985</u>	<u>Number 1984</u>
Directors	3	3
Travel operatives	54	50
	<u>57</u>	<u>53</u>

7. EXCEPTIONAL ITEMS

Included under Other administrative costs
is a charge of £15903 (1984 - Nil)

in respect of an irrecoverable loan written off.

8. TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>1985</u>	<u>1984</u>
<u>Current year</u>		
Corporation Tax at 30% (1984 - 30%) based on the results for the year	<u>£ 18000</u>	<u>£ 12500</u>

If full provision had been made for the potential amount of deferred tax, the tax charge for the year would have been increased by £3997 (1984 - £19330)

ETON TRAVEL AGENCY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1985

9. INTANGIBLE FIXED ASSETS

COST

Goodwill

At beginning of year

3747

Additions

25000

At end of year

£ 28747

AMOUNTS WRITTEN OFF

At beginning of year

-

Charge for year

12080

£ 12080

NET BOOK VALUE

At end of year

£ 16667

At beginning of year

£ 3747

10. TANGIBLE FIXED ASSETS

COST

Leasehold
Property
Short

Boat

Motor
Vehicles

Fixtures
Fittings &
Equipment

Total

At beginning of year

31350

6950

6856

70441

115597

Additions

10000

-

37524

99941

147465

Disposals

-

(6950)

(2885)

(-)

(9835)

At end of year

£ 41350

£ -

£ 41495

£ 170382

£ 253227

DEPRECIATION

At beginning of year

2808

1713

10066

14587

Charge for year

4153

10374

29589

44116

Disposals

(-)

(365)

(-)

(365)

At end of year

£ 6961

£ -

£ 11722

£ 39555

£ 58338

NET BOOK VALUE

At end of year

£ 34389

£ -

£ 29773

£ 130727

£ 194889

At beginning of year

£ 28542

£ 6950

£ 5143

£ 60375

£ 101010

11. CAPITAL COMMITMENTS

The company has no capital commitments which have not been provided for in the accounts.

ETON TRAVEL AGENCY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1985

12.	STOCKS			<u>1985</u>	<u>1984</u>	
	Finished goods			£ 8000	£ 540	
				<u> </u>	<u> </u>	
13.	DEBTORS					
	Trade debtors			629451	407957	
	Other debtors			154743	77973	
	Prepayments			13240	13822	
				<u> </u>	<u> </u>	
				£ 797434	£ 449752	
				<u> </u>	<u> </u>	
14.	CREDITORS					
			Falling due:			
			Within one year	After one year		
			<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
	Loans (see Note 17.)	317865	109114			
	Trade creditors	449122	336560			
	Hire purchase instalments (see Note 15.)	22563	6022	49363	15927	
	Current taxation (see Note 16.)	22000	12500			
	Other taxation and social security	1054	1054			
	Directors' current accounts	15286	15404			
	Accruals	23315	26048			
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	
		£ 851205	£ 506702	£ 49363	£ 15927	
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	
15.	DEFERRED LIABILITY UNDER HIRE PURCHASE			<u>1985</u>	<u>1984</u>	
	Total hire purchase instalments outstanding			101713	32529	
	Deduct interest included			(29787)	(10580)	
				<u> </u>	<u> </u>	
				71926	21949	
	Less instalments due within one year			(22563)	(6022)	
				<u> </u>	<u> </u>	
	Balance not due within one year			£ 49363	£ 15927	
				<u> </u>	<u> </u>	
16.	CURRENT TAXATION					
	Corporation tax (payable 1 April 1986; £18000)			£ 22000	£ 12500	
				<u> </u>	<u> </u>	

ETON TRAVEL AGENCY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1985

	<u>1985</u>	<u>1984</u>
17. LOANS		
<u>Repayable wholly within 5 years</u>		
Bank loans and overdrafts (Note 20)	<u>£ 317865</u>	<u>£ 109114</u>
18. SHARE CAPITAL		
<u>Authorised</u>		
Ordinary shares of £1 each	<u>£ 50000</u>	<u>£ 50000</u>
<u>Allotted, issued and fully paid</u>		
Ordinary shares of £1 each	<u>£ 48000</u>	<u>£ 48000</u>
19. RESERVES		
PROFIT AND LOSS ACCOUNT:		
Balance at beginning of year	63162	-
Retained profit for year	<u>36654</u>	<u>63162</u>
Balance at end of year	<u>£ 99816</u>	<u>£ 63162</u>
20. CHARGE OVER ASSETS		
Bank loans and overdrafts totalling £298729 (1984 £ 109114) are secured by a mortgage debenture in favour of National Westminster Bank plc., in the form of a floating charge over all company assets.		

ETON TRAVEL AGENCY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 30 JUNE 1985

		<u>1985</u>	<u>1984</u>
<u>SOURCE OF FUNDS</u>			
Profit on ordinary activities before taxation		54654	75662
Adjustments for items not involving the movement of funds:-			
Amortisation of Goodwill	12080		
Depreciation	44116	14587	
Adjustment on disposal of fixed assets	7670	63866	66
		<u>118520</u>	<u>14653</u>
Funds generated from operations			90315
Funds from other sources:			
Proceeds from disposal of fixed assets	1800		775
Shares issued for cash	-		48000
Loans	33436	15927	
		<u>35236</u>	<u>64702</u>
		<u>153756</u>	<u>155017</u>
Total funds generated			
<u>APPLICATION OF FUNDS</u>			
Purchase of fixed assets	147465	116438	
Acquisition of goodwill	25000	3747	
Tax paid	8500		
		<u>(180965)</u>	<u>(120185)</u>
		<u>£ (27209)</u>	<u>£ 34832</u>
<u>INCREASE/(DECREASE) IN WORKING CAPITAL</u>			
<u>REPRESENTING (FUNDED BY)</u>			
Increase(decrease) in stocks		7460	540
Increase(decrease) in debtors		297682	499752
(Increase)decrease in creditors		(109711)	(379066)
		<u>195431</u>	<u>121226</u>
Net liquid funds:			
Increase(decrease) in bank and cash		2652	28742
(Increase)decrease in borrowings repayable within one year		(225292)	(115136)
		<u>£ (27209)</u>	<u>£ 34832</u>