

1732607 (England and Wales)

Eton Travel Agency Limited
Directors' Report and Financial Statements
for the year ended 30 June 1995



Eton Travel Agency Limited

Company Information

Directors	Mr J C Butler Mr N V Osborne
Secretary	J C Butler
Company Number	1732607 (England and Wales)
Registered Office	104 High Street Eton, Windsor Berkshire SL4 6AR
Auditors	Foreman & Hill 3 Park Street Windsor, Berkshire SL4 1LU

Eton Travel Agency Limited

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Eton Travel Agency Limited

Directors' Report for the year ended 30 June 1995

The directors present their report and the financial statements for the year ended 30 June 1995.

Principal Activities and Review of the Business

The principal activity of the company continued unchanged as retail and business travel agents.

The result for the year is considered satisfactory. The second half of the accounting year produced a substantial increase in trade, with the business traveller leading the way. The Company is now more confident of the future and the mood of optimism is higher than for the last five years. The company has invested in the latest generation of computer terminals for operations staff, the installation being completed during December 1995. This has resulted in improved service to customers, whilst increasing the turnover per staff member and reducing overhead costs.

The Wokingham retail office is also to be refitted during early 1996 to improve the layout for customers.

Results and Dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £12,763 is transferred to reserves.

Fixed Assets

The significant changes in fixed assets during the year are explained in notes 7 and 8 to the financial statements.

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

	Class of share	Number of shares	
		1995	1994
Mr J C Butler	Ordinary shares	160,500	160,500
Mr N V Osborne	Ordinary shares	32,500	32,500

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Foreman & Hill be reappointed as auditors of the company will be put to the Annual General Meeting.

Eton Travel Agency Limited

Directors' Report for the year ended 30 June 1995 (continued)

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

This report was approved by the Board on 18 December 1995


J C Butler
Secretary

Eton Travel Agency Limited

**Auditors' Report
to the shareholders of Eton Travel Agency Limited**

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

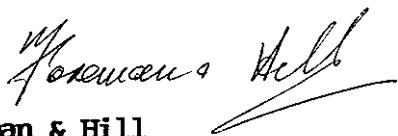
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Foreman & Hill

**Chartered Accountants
Registered Auditor**

19 December 1995

**3 Park Street
Windsor, Berkshire
SL4 1LU**

Eton Travel Agency Limited

**Profit and Loss Account
for the year ended 30 June 1995**

	Notes	1995 £	1994 £
Turnover	2	16,449,137	15,665,748
Cost of sales		(15,072,652)	(14,257,905)
Gross profit		1,376,485	1,407,843
Distribution costs		(100,188)	(98,362)
Administrative expenses		(1,094,971)	(1,116,858)
Other operating income		11,000	-
Operating profit	3	192,326	192,623
Investment income	4	3	-
Other interest receivable and similar income	4	767	493
Interest payable and similar charges	5	(164,756)	(178,017)
Profit on ordinary activities before taxation		28,340	15,099
Tax on profit on ordinary activities	6	(15,577)	(6,096)
Profit for the year	17	£ 12,763	£ 9,003

There are no recognised gains and losses other than those passing through the profit and loss account.

Eton Travel Agency Limited

Balance Sheet as at 30 June 1995

	Notes	£	1995 £	£	1994 £
Fixed Assets					
Tangible assets	7		1,166,580		1,182,622
Investments	8		124,267		109,355
			<u>1,290,847</u>		<u>1,291,977</u>
Current Assets					
Stocks	9	5,000		7,000	
Debtors	10	1,476,644		1,376,568	
Investments	11	3,695		1,195	
Cash at bank and in hand		72,037		30,193	
			<u>1,557,376</u>	<u>1,414,956</u>	
Creditors: amounts falling due within one year	12	(1,275,074)		(1,117,834)	
Net Current Assets			<u>282,302</u>	<u>297,122</u>	
Total Assets Less Current Liabilities			<u>1,573,149</u>	<u>1,589,099</u>	
Creditors: amounts falling due after more than one year	13		(1,184,333)	(1,213,047)	
			<u>£ 388,816</u>	<u>£ 376,052</u>	
Capital and Reserves					
Called up share capital	15		198,000		198,000
Revaluation reserve	16		127,920		130,360
Profit and loss account	17		62,896		47,692
Shareholders' Funds (equity interests)	18		<u>£ 388,816</u>	<u>£ 376,052</u>	

The financial statements were approved by the Board on 18 December 1995.

J C Butler.....
Director

Eton Travel Agency Limited

Cash Flow Statement for the year ended 30 June 1995

	1995	1994
	£	£
Net cash in/outflow from operating activities	298,361	302,680
Returns on investments and servicing of finance		
Interest received	767	493
Interest paid	(164,756)	(178,017)
Dividends received	3	-
Net cash in/outflow from returns on investments and servicing of finance	(163,986)	(177,524)
Taxation		
Corporation tax paid (including advance corporation tax)	(9,176)	(5,604)
Tax paid	(9,176)	(5,604)
Investing activities		
Payments to acquire tangible assets	(20,764)	(12,249)
Payments to acquire investments	(14,912)	(14,912)
Net cash in/outflow from investing activities	(35,676)	(27,161)
Net cash in/outflow before financing	89,523	92,391
Financing		
Repayment of long term bank loan	(28,714)	(26,821)
Repayment of other short term loans	(16,465)	(1,337)
Capital element of hire purchase contracts	-	(471)
Net cash in/outflow from financing	(45,179)	(28,629)
In/Decrease in cash and cash equivalents	£ 44,344	£ 63,762

Eton Travel Agency Limited

**Notes to the Cash Flow Statement
for the year ended 30 June 1995**

1 Reconciliation of operating profit to net cash in/outflow from operating activities	1995	1994	
	£	£	
Operating profit	192,326	192,623	
Depreciation of tangible assets	36,806	34,383	
Decrease in stocks	2,000	(2,000)	
Increase in debtors	(100,076)	9,828	
Increase in creditors due within one year	167,305	67,846	
Net cash in/outflow from operating activities	£ 298,361	£ 302,680	
2 Analysis of changes in cash and cash equivalents during the year	1995	1994	
	£	£	
Balance at 1 July 1994	31,388	(32,374)	
Net cash in/outflow	44,344	63,762	
Balance at 30 June 1995	£ 75,732	£ 31,388	
3 Analysis of the balances of cash and cash equivalents as shown in the balance sheet	1995	1994	Change in year
	£	£	£
Cash at bank and in hand	72,037	30,193	41,844
Short-term investments	3,695	1,195	2,500
	£ 75,732	£ 31,388	£ 44,344
4 Analysis of changes in financing during the year	Share capital	Loans and finance lease obligations	
	£	£	
Balance at 1 July 1994	198,000	1,254,512	
Cash in/outflow from financing	-	(45,179)	
Balance at 30 June 1995	198,000	1,209,333	

Eton Travel Agency Limited

Notes to the Financial Statements for the year ended 30 June 1995

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over fifty years
Leasehold properties	-	Straight line over the life of the lease
Fixtures, fittings and equipment	-	14.28-20% Straight line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Current asset investments are stated at the lower of cost and net realisable value.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.8 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Eton Travel Agency Limited

Notes to the Financial Statements for the year ended 30 June 1995

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the U.K.

3. Operating Profit

	1995 £	1994 £
Operating profit is stated after charging:		
Depreciation of tangible assets	36,806	34,383
Hire of plant and machinery	18,679	15,500
Operating lease rentals		
- Plant and machinery	45,959	45,959
- Land and buildings	45,963	46,350
Auditors' remuneration	5,000	4,600
and after crediting:		
Rents receivable	11,000	-

4. Income from Investments and Other Interest Receivable and Similar Income

	1995 £	1994 £
Income from listed investments	3	-
Bank interest received	767	493

5. Interest Payable

	1995 £	1994 £
On bank loans and overdrafts	33,889	46,526
On other loans wholly repayable within 5 years	1,553	1,337
On loans repayable after 5 years	125,310	125,310
Hire purchase interest	-	805
On overdue tax	4,004	4,039
	£ 164,756	£ 178,017

Eton Travel Agency Limited

**Notes to the Financial Statements
for the year ended 30 June 1995**

6. Taxation	1995 £	1994 £
U.K. Current year taxation		
U.K. Corporation tax at 25% (1994 - 25%)	12,700	6,300
Prior years		
U.K. Corporation tax	2,877	(204)
	<u>£ 15,577</u>	<u>£ 6,096</u>

7. Tangible Assets	Land and buildings Freehold	Land and buildings Leasehold (short)	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 July 1994	1,219,372	21,350	218,557	1,459,279
Additions	-	-	20,764	20,764
	<u>1,219,372</u>	<u>21,350</u>	<u>239,321</u>	<u>1,480,043</u>
At 30 June 1995	1,219,372	21,350	239,321	1,480,043
Depreciation				
At 1 July 1994	95,322	16,610	164,725	276,657
Charge for year	15,887	526	20,393	36,806
	<u>111,209</u>	<u>17,136</u>	<u>185,118</u>	<u>313,463</u>
At 30 June 1995	111,209	17,136	185,118	313,463
Net book values				
At 30 June 1995	<u>1,108,163</u>	<u>4,214</u>	<u>54,203</u>	<u>1,166,580</u>
At 30 June 1994	<u>1,124,050</u>	<u>4,740</u>	<u>53,832</u>	<u>1,182,622</u>

The freehold property is stated at an open market value at September 1987, as determined by an independent firm of Chartered Surveyors. On a historic cost basis at 30 June 1995 cost was £1,074,372, accumulated depreciation £94,129 and net book value £978,243. The depreciation charge for the year was £13,447.

Eton Travel Agency Limited

**Notes to the Financial Statements
for the year ended 30 June 1995**

8. Fixed Asset Investments	1995	1994
	£	£
Other investments	124,267	109,355
	<u> </u>	<u> </u>
At 1 July 1994 & Other investments		Unlisted £
Cost		
At 1 July 1994		109,355
Additions		14,912
		<u> </u>
At 30 June 1995		124,267
		<u> </u>
Net Book Values		
At 30 June 1995		£ 124,267
		<u> </u>
At 30 June 1994		£ 109,355
		<u> </u>

If the investments were sold at directors valuation, being surrender value, a tax charge would not arise. The investments comprise endowment policies on the lives of the directors. The policies mature in 2012 and the proceeds will be used to repay the £750,000 mortgage on the freehold property at 104 High Street, Eton. See also note 20.

9. Stocks	1995	1994
	£	£
Finished goods and goods for resale	5,000	7,000
	<u> </u>	<u> </u>
10. Debtors	1995	1994
	£	£
Trade debtors	1,305,724	1,059,252
Other debtors	147,947	282,383
Prepayments and accrued income	22,973	34,933
	<u> </u>	<u> </u>
	1,476,644	1,376,568
	<u> </u>	<u> </u>

Eton Travel Agency Limited

Notes to the Financial Statements
for the year ended 30 June 1995

11.	Current Asset Investments	1995 £	1994 £
	Listed investments	3,695	1,195
		<u>£ 3,695</u>	<u>£ 1,195</u>
12.	Creditors: amounts falling due within one year	1995 £	1994 £
	Bank loans and overdrafts	25,000	25,000
	Trade creditors	1,027,055	870,926
	Corporation tax	15,577	9,177
	Other taxes and social security costs	35,548	34,593
	Other creditors	29,633	48,453
	Accruals and deferred income	142,261	129,685
		<u>1,275,074</u>	<u>1,117,834</u>
13.	Creditors: amounts falling due after more than one year	1995 £	1994 £
	Loans		
	Not wholly repayable within five years by instalments		
	Medium term bank loan	159,333	204,512
	Not wholly repayable within five years other than by instalments		
	Sun Life Assurance PLC mortgage loan (repayable 2012 with interest at 11.7% fixed)	750,000	750,000
	Sun Life Assurance PLC mortgage loan (repayable 2015 with interest at 12.52% fixed)	300,000	300,000
	Included in current liabilities	(25,000)	(41,465)
		<u>1,184,333</u>	<u>1,213,047</u>
	Instalments not due within five years	<u>1,050,000</u>	<u>1,150,000</u>

The medium term bank loan is secured by fixed and floating charges over the assets of the company. The mortgage loans are secured on the freehold property 104 High Street, Eton. Scale charges apply if the mortgages are repaid before 2002.

Eton Travel Agency Limited

Notes to the Financial Statements for the year ended 30 June 1995

14. Pension Costs

The company operates a defined contribution pension scheme on behalf of certain employees. Contributions are based on the recommendations of a qualified actuary and are charged to the profit and loss account in the period in which they are payable. The annual contribution to the scheme for the year was £11,383 (1994 - £18,057).

A separate defined contribution scheme is operated for directors. The annual contribution to the scheme for the year was £10,687 (1994 - £10,980).

15. Share Capital

	1995 £	1994 £
Authorised		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid		
198,000 Ordinary shares of £1 each	<u>198,000</u>	<u>198,000</u>

16. Revaluation Reserve

	1995 £	1994 £
Balance brought forward at 1 July 1994	130,360	132,800
Depreciation written back	<u>(2,440)</u>	<u>(2,440)</u>
Balance carried forward at 30 June 1995	<u>£ 127,920</u>	<u>£ 130,360</u>

17. Profit And Loss Account

	1995 £	1994 £
Retained profits at 1 July 1994	47,693	36,249
Retained profit for the year	12,763	9,003
Transfer from reserves	<u>2,440</u>	<u>2,440</u>
Retained profits at 30 June 1995	<u>£ 62,896</u>	<u>£ 47,692</u>

Eton Travel Agency Limited

Notes to the Financial Statements for the year ended 30 June 1995

18. Reconciliation of Movements in Shareholders' Funds

	1995 £	1994 £
Profit for the financial year	12,763	9,003
Opening shareholders' funds	376,052	367,049
Closing shareholders' funds	<u>£ 388,816</u>	<u>£ 376,052</u>

19. Contingent Liabilities

The long term investment endowment policies are valued at the cost of the premiums paid, on the assumption that the premiums continue to be paid in accordance with the terms of the policies. Should the policies be surrendered before the maturity dates, the surrender values may be less than the cost of the premiums paid. No provision has been made in the financial statements for any loss which could arise from early surrender of the policies as the directors consider that all future premiums will be paid as they fall due.

20. Financial Commitments

At 30 June 1995 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	1995 £	1994 £	1995 £	1994 £
Expiry date:				
Within one year	15,400	-	20,940	-
Between two and five years	13,700	29,100	13,970	53,359
In over five years	17,250	17,250	-	-
	<u>£ 46,350</u>	<u>£ 46,350</u>	<u>£ 34,910</u>	<u>£ 53,359</u>
			1995 £	1994 £
Expiry date:				
Within one year			36,340	-
Between two and five years			27,670	82,459
In over five years			17,250	17,250
			<u>£ 81,260</u>	<u>£ 99,709</u>

Eton Travel Agency Limited

Notes to the Financial Statements for the year ended 30 June 1995

21. Capital Commitments

1995	1994
£	£

Details of capital commitments at the accounting date are as follows:

Contracted for but not provided in the financial statements

4,254	-
<u> </u>	<u> </u>

22. Directors' Emoluments

1995	1994
£	£

Remuneration

47,477	56,884
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Compensation for loss of office

-	30,000
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<u>£ 47,477</u>	<u>£ 86,884</u>
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23. Employees

Number of employees

The average weekly number of employees (including directors) during the year was:

1995	1994
Number	Number

Directors

1	1
---	---

Administration

6	6
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Travel operatives

47	50
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<u>54</u>	<u>57</u>
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Employment costs

£	£
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Wages and salaries

678,973	674,907
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Social security costs

57,954	57,346
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Other pension costs

22,070	29,037
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<u>£ 758,997</u>	<u>£ 761,290</u>
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