

1732607 (England and Wales)

Eton Travel Agency Limited
Directors' Report and Financial Statements
for the year ended 30 June 1996



Eton Travel Agency Limited

Company Information

Director	Mr J C Butler
Secretary	L A 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 1996

The directors present their report and the financial statements for the year ended 30 June 1996.

Principal Activities and Review of the Business

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

The company enjoyed a good trading year. Both Head and Branch office premises have been completely refurbished. Although the work had been planned three years ago, such a financial commitment had not previously been possible. A new 'Back Office' system is being installed which will increase productivity and efficiency. The company is also placing itself on the Internet. Improvements in appearance and efficiency will be used as a marketing tool to acquire new business. There is every confidence that the company will be able to further strengthen its position in the next year.

The company regret to notify the death of Noel Osborne on 5 December 1996. Noel had been a Director and shareholder of the company for many years, although he had not taken an active part in the running of the business for the past two years.

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 £27,000 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	
		1996	1995
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 1996 (continued)

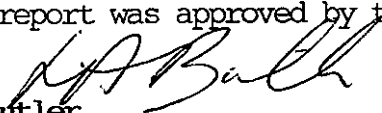
Directors' Responsibilities

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 17 December 1996



L. A. 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 17 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.

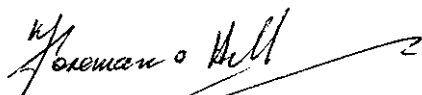
Basis of opinion

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 1996 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

18 December 1996

3 Park Street
Windsor, Berkshire
SL4 1LU

Eton Travel Agency Limited

Profit and Loss Account
for the year ended 30 June 1996

	Notes	1996 £	1995 £
Turnover	2	18,681,048	16,449,137
Cost of sales		(17,141,543)	(15,072,652)
Gross profit		1,539,505	1,376,485
Distribution costs		(56,845)	(100,188)
Administrative expenses		(1,283,309)	(1,094,971)
Other operating income		9,167	11,000
Operating profit	3	208,518	192,326
Investment income	4	3	3
Other interest receivable and similar income	4	995	767
Interest payable and similar charges	5	(164,359)	(164,756)
Profit on ordinary activities before taxation		45,157	28,340
Tax on profit on ordinary activities	6	(18,157)	(15,577)
Profit for the year	17	£ 27,000	£ 12,763

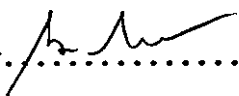
There are no recognised gains and losses other than those passing through the profit and loss account.

Eton Travel Agency Limited

Balance Sheet as at 30 June 1996

	Notes	1996 £	1995 £
Fixed Assets			
Tangible assets	7	1,162,823	1,166,580
Investments	8	139,179	124,267
		<u>1,302,002</u>	<u>1,290,847</u>
Current Assets			
Stocks	9	5,000	5,000
Debtors	10	1,193,097	1,476,644
Investments	11	3,695	3,695
Cash at bank and in hand		398,004	72,037
		<u>1,599,796</u>	<u>1,557,376</u>
Creditors: amounts falling due within one year	12	<u>(1,363,816)</u>	<u>(1,275,074)</u>
Net Current Assets		<u>235,980</u>	<u>282,302</u>
Total Assets Less Current Liabilities		<u>1,537,982</u>	<u>1,573,149</u>
Creditors: amounts falling due after more than one year	13	<u>(1,122,165)</u>	<u>(1,184,333)</u>
		<u>£ 415,817</u>	<u>£ 388,816</u>
Capital and Reserves			
Called up share capital	15	198,000	198,000
Revaluation reserve	16	125,480	127,920
Profit and loss account	17	92,337	62,896
Shareholders' Funds (equity interests)	18	<u>£ 415,817</u>	<u>£ 388,816</u>

The financial statements were approved by the Board on 17 December 1996.

J C Butler. 
Director

Eton Travel Agency Limited

Cash Flow Statement
for the year ended 30 June 1996

	1996	1995
	£	£
Net cash in/outflow from operating activities	622,733	298,361
Returns on investments and servicing of finance		
Interest received	995	767
Interest paid	(164,359)	(164,756)
Dividends received	3	3
Net cash in/outflow from returns on investments and servicing of finance	(163,361)	(163,986)
Taxation		
Corporation tax paid (including advance corporation tax)	(15,234)	(9,176)
Tax paid	(15,234)	(9,176)
Investing activities		
Payments to acquire tangible assets	(38,610)	(20,764)
Payments to acquire investments	(14,912)	(14,912)
Net cash in/outflow from investing activities	(53,522)	(35,676)
Net cash in/outflow before financing	390,616	89,523
Financing		
Repayment of long term bank loan	(64,236)	(28,714)
Repayment of other short term loans	-	(16,465)
Capital element of hire purchase contracts	(413)	-
Net cash in/outflow from financing	(64,649)	(45,179)
In/Decrease in cash and cash equivalents	£ 325,967	£ 44,344

Eton Travel Agency Limited

**Notes to the Cash Flow Statement
for the year ended 30 June 1996**

1 Reconciliation of operating profit to net cash in/outflow from operating activities	1996	1995	
	£	£	
Operating profit	208,518	192,326	
Depreciation of tangible assets	46,090	36,806	
Decrease in stocks	-	2,000	
Decrease in debtors	283,547	(100,076)	
Increase in creditors due within one year	84,578	167,305	
Net cash in/outflow from operating activities	£ 622,733	£ 298,361	
2 Analysis of changes in cash and cash equivalents during the year	1996	1995	
	£	£	
Balance at 1 July 1995	75,732	31,388	
Net cash in/outflow	325,967	44,344	
Balance at 30 June 1996	£ 401,699	£ 75,732	
3 Analysis of the balances of cash and cash equivalents as shown in the balance sheet	1996	1995	Change in year
	£	£	£
Cash at bank and in hand	398,004	72,037	325,967
Short-term investments	3,695	3,695	-
	£ 401,699	£ 75,732	£ 325,967
4 Analysis of changes in financing during the year		Share capital	Loans and finance lease obligations
		£	£
Balance at 1 July 1995		198,000	1,209,333
Cash in/outflow from financing		-	(64,649)
Balance at 30 June 1996		£ 198,000	£ 1,148,406

Eton Travel Agency Limited

**Notes to the Financial Statements
for the year ended 30 June 1996**

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 and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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.

Eton Travel Agency Limited

Notes to the Financial Statements for the year ended 30 June 1996

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.

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	1996 £	1995 £
Operating profit is stated after charging:		
Depreciation of tangible assets	46,090	36,806
Hire of plant and machinery	16,719	18,679
Operating lease rentals		
- Plant and machinery	8,693	45,959
- Land and buildings	46,317	45,963
Auditors' remuneration	5,200	5,000
and after crediting:		
Rents receivable	<u>9,167</u>	<u>11,000</u>

4. Income from Investments and Other Interest Receivable and Similar Income	1996 £	1995 £
Income from listed investments	<u>3</u>	<u>3</u>
Bank interest received	<u>995</u>	<u>767</u>

Eton Travel Agency Limited

Notes to the Financial Statements
for the year ended 30 June 1996

5.	Interest Payable	1996 £	1995 £
	On bank loans and overdrafts	36,471	33,889
	On other loans wholly repayable within 5 years	-	1,553
	On loans repayable after 5 years	125,081	125,310
	Hire purchase interest	155	-
	On overdue tax	2,652	4,004
		<u>£ 164,359</u>	<u>£ 164,756</u>
6.	Taxation	1996 £	1995 £
	U.K. Current year taxation		
	U.K. Corporation tax at 25% (1995 - 25%)	18,500	12,700
	Prior years		
	U.K. Corporation tax	(343)	2,877
		<u>£ 18,157</u>	<u>£ 15,577</u>

Eton Travel Agency Limited

Notes to the Financial Statements
for the year ended 30 June 1996

7. Tangible Assets

	Land and buildings Freehold	Land and buildings Leasehold (short)	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 July 1995	1,219,372	21,350	239,321	1,480,043
Additions	-	-	42,333	42,333
At 30 June 1996	<u>1,219,372</u>	<u>21,350</u>	<u>281,654</u>	<u>1,522,376</u>
Depreciation				
At 1 July 1995	111,209	17,136	185,118	313,463
Charge for year	15,887	4,214	25,989	46,090
At 30 June 1996	<u>127,096</u>	<u>21,350</u>	<u>211,107</u>	<u>359,553</u>
Net book values				
At 30 June 1996	<u>1,092,276</u>	<u>-</u>	<u>70,547</u>	<u>1,162,823</u>
At 30 June 1995	<u>1,108,163</u>	<u>4,214</u>	<u>54,203</u>	<u>1,166,580</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 1996 cost was £1,074,372, accumulated depreciation £107,576 and net book value £964,796. The depreciation charge for the year was £13,447.

Included above are assets held under finance leases or hire purchase contracts as follows:

	1996 £	1996 £
Fixtures, fittings & equipment	Book Value 2,980	Depn Chg 744

Eton Travel Agency Limited

Notes to the Financial Statements
for the year ended 30 June 1996

8. Fixed Asset Investments	1996 £	1995 £
Other investments	<u>139,179</u>	<u>124,267</u>
At 1 July 1995 & Other investments		Unlisted £
Cost		
At 1 July 1995		124,267
Additions		<u>14,912</u>
At 30 June 1996		<u>139,179</u>
Net Book Values		
At 30 June 1996		<u>£ 139,179</u>
At 30 June 1995		<u>£ 124,267</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. Insurance policies have also been effected on the lives of the directors for £375,000 each, payable in the event of death before 2012.

9. Stocks	1996 £	1995 £
Finished goods and goods for resale	<u>5,000</u>	<u>5,000</u>
10. Debtors	1996 £	1995 £
Trade debtors	1,129,668	1,305,724
Other debtors	51,717	147,947
Prepayments and accrued income	11,712	22,973
	<u>1,193,097</u>	<u>1,476,644</u>

Eton Travel Agency Limited

Notes to the Financial Statements
for the year ended 30 June 1996

11.	Current Asset Investments	1996 £	1995 £
	Listed investments	3,695	3,695
		<u>£ 3,695</u>	<u>£ 3,695</u>
12.	Creditors: amounts falling due within one year	1996 £	1995 £
	Bank loans and overdrafts	25,000	25,000
	Net obligations under finance lease and hire purchase contracts	1,241	-
	Trade creditors	1,091,780	1,027,055
	Corporation tax	18,500	15,577
	Other taxes and social security costs	43,749	35,548
	Other creditors	40,061	29,633
	Accruals and deferred income	143,485	142,261
		<u>1,363,816</u>	<u>1,275,074</u>

Eton Travel Agency Limited

**Notes to the Financial Statements
for the year ended 30 June 1996**

13. Creditors: amounts falling due after more than one year	1996 £	1995 £
Loans	1,120,096	1,184,333
Net obligations under finance leases and hire purchase contracts	2,069	-
	<u>1,122,165</u>	<u>1,184,333</u>
Loans		
Not wholly repayable within five years by instalments		
Medium term bank loan	95,096	159,333
Not wholly repayable within five years other than by instalments		
Birmingham & Midshires mortgage loan (repayable 2012 with interest at 11.7% fixed)	750,000	750,000
Birmingham & Midshires mortgage loan (repayable 2015 with interest at 12.52% fixed)	300,000	300,000
Included in current liabilities	(25,000)	(25,000)
	<u>1,120,096</u>	<u>1,184,333</u>
Instalments not due within five years	<u>1,050,000</u>	<u>1,050,000</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.

Net obligations under finance leases and hire purchase contracts		
Repayable within one year	1,706	-
Repayable between one and five years	2,843	-
	<u>4,549</u>	-
Finance charges and interest allocated to future accounting periods	(1,239)	-
	<u>3,310</u>	-
Included in current liabilities	(1,241)	-
	<u>£ 2,069</u>	<u>£ -</u>

Eton Travel Agency Limited

Notes to the Financial Statements for the year ended 30 June 1996

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 £21,220 (1995 - £11,383).

A separate defined contribution scheme is operated for directors. The annual contribution to the scheme for the year was £10,687 (1995 - £10,687).

15. Share Capital

	1996 £	1995 £
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

	1996 £	1995 £
Balance brought forward at 1 July 1995	127,920	130,360
Depreciation written back	(2,440)	(2,440)
Balance carried forward at 30 June 1996	<u>£ 125,480</u>	<u>£ 127,920</u>

17. Profit And Loss Account

	1996 £	1995 £
Retained profits at 1 July 1995	62,897	47,693
Retained profit for the year	27,000	12,763
Transfer from reserves	2,440	2,440
Retained profits at 30 June 1996	<u>£ 92,337</u>	<u>£ 62,896</u>

Eton Travel Agency Limited

Notes to the Financial Statements for the year ended 30 June 1996

18. Reconciliation of Movements in Shareholders' Funds

	1996 £	1995 £
Profit for the financial year	27,000	12,763
Opening shareholders' funds	388,816	376,053
	<u>£ 415,817</u>	<u>£ 388,816</u>
Closing shareholders' funds		

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 1996 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	1996 £	1995 £	1996 £	1995 £
Expiry date:				
Within one year	-	15,400	-	20,940
Between two and five years	13,700	13,700	51,685	13,970
In over five years	30,750	17,250	-	-
	<u>£ 44,450</u>	<u>£ 46,350</u>	<u>£ 51,685</u>	<u>£ 34,910</u>
			1996 £	1995 £
Expiry date:				
Within one year			-	36,340
Between two and five years			65,385	27,670
In over five years			30,750	17,250
			<u>£ 96,135</u>	<u>£ 81,260</u>

Eton Travel Agency Limited

Notes to the Financial Statements
for the year ended 30 June 1996

21. Capital Commitments

1996	1995
£	£

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

Contracted for but not provided in the financial statements

18,163	4,254
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22. Directors' Emoluments

1996	1995
£	£

Remuneration

50,780	47,477
--------	--------

23. Employees

Number of employees

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

1996	1995
Number	Number

Directors

1	1
---	---

Administration

6	6
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Travel operatives

53	47
----	----

60	54
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Employment costs

£	£
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Wages and salaries

807,347	678,973
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Social security costs

70,704	57,954
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Other pension costs

31,907	22,070
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£ 909,958	£ 758,997
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