

(COMPANY NUMBER: 1732607)

1732607

ETON TRAVEL AGENCY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001



ETON TRAVEL AGENCY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001

Approved

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ETON TRAVEL AGENCY LIMITED
COMPANY INFORMATION

APP 110

DIRECTORS: K Thompson (Appointed 15 August 2001)
M Boone (Appointed 15 August 2001)
C Klinker (Appointed 15 August 2001)
J C Butler (Resigned 15 August 2001)

SECRETARY: L A Butler

COMPANY NUMBER: 1732607

REGISTERED OFFICE: 104 High Street
Eton
Windsor
Berkshire
SL4 6AR

AUDITORS: Horwath Clark Whitehill
Kennet House
80 Kings Road
Reading
Berkshire
RG1 3BL

ETON TRAVEL AGENCY LIMITED
DIRECTOR'S REPORT

Approved

The directors present their report and financial statements for the year ended 30 September 2001.

RESULTS AND DIVIDENDS

The results for the year

REVIEW OF THE BUSINESS

The principal activity of the company continued to be that of retail, business, groups and conference travel.

The results for the year show a profit of £14,816 (2000: loss £82,529).

SIGNIFICANT EVENTS

The company was subject to a management buy-out on 15 August 2001.

Eton Travel Holdings Limited purchased 100% of the company's share capital.

CHARITABLE DONATIONS

During the year the company made donations totalling £230 (2000: £Nil) to local charities.

DIRECTORS' INTEREST

The directors' interests in the shares of the company are as follows:-

		ORDINARY SHARES OF £1 EACH	
		30 September 2001	30 September 2000
K Thompson	(Appointed 15 August 2001)	-	-
M Boone	(Appointed 15 August 2001)	-	-
C Klinker	(Appointed 15 August 2001)	-	-
J C Butler	(Resigned 15 August 2001)	-	198,000

The interest of the directors in the holding company Eton Travel Holdings Limited are shown in the accounts of that company.

AUDITORS

On 5 October 2001 Horwath Clark Whitehill were appointed to replace Foreman & Hill who resigned as auditors.

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the appointment of Horwath Clark Whitehill as auditors to the company will be put to the Annual General Meeting.

Approved by the Board on 21st December 2001
and signed on its behalf by

Christoph Klinker

C KLINKER
DIRECTOR

ETON TRAVEL AGENCY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each period which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss of the company for that year. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume 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 or other irregularities. The directors are responsible for ensuring that the Directors' Report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF ETON TRAVEL AGENCY LIMITED

We have audited the financial statements of Eton Travel Agency Limited for the year ended 30 September 2001 which comprise of Profit and Loss account, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

BASIS OF OPINION

We conducted our audit in accordance with United Kingdom 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 the information in the financial statements.

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**INDEPENDENT AUDITORS REPORT
TO THE SHAREHOLDERS OF ETON TRAVEL AGENCY LIMITED (CONTINUED)**

UNQUALIFIED OPINION

In our opinion the financial statements give a true and fair view of the state of the company as at 30 September 2001 and of the profit for the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Reading

2. December 2001

Horwath Clark Whitehill

HORWATH CLARK WHITEHILL
Chartered Accountants and
Registered Auditors

ETON TRAVEL AGENCY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2001

	Note	2001 £	2000 £
TURNOVER	2	23,923,763	28,565,591
Cost of sales		<u>(21,760,935)</u>	<u>(25,991,163)</u>
GROSS PROFIT		2,162,828	2,574,428
Distribution costs		(73,863)	(100,211)
Administrative expenses		<u>(1,880,239)</u>	<u>(2,427,682)</u>
OPERATING PROFIT	3	208,726	46,535
Exceptional mortgage penalty costs		(120,096)	-
Investment income	6	-	(522)
Other interest receivable and similar income		6,173	5,938
Interest payable and similar charges	7	<u>(79,987)</u>	<u>(134,480)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		14,816	(82,529)
Tax on profit/(loss) on ordinary activities	8	<u>67,255</u>	<u>10,000</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	18	<u>£ 82,071</u>	<u>£ (72,529)</u>

All operations are continuing.

ETON TRAVEL AGENCY LIMITED
HISTORICAL COST PROFIT
FOR THE YEAR ENDED 30 SEPTEMBER 2001

HISTORICAL COST PROFITS/(LOSSES)

	2001 £	2000 £
REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	14,816	(82,529)
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	<u>2,440</u>	<u>3,550</u>
HISTORICAL COST PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>£ 17,256</u>	<u>(78,979)</u>
HISTORICAL COST PROFIT/(LOSS) FOR THE YEAR RETAINED AFTER TAXATION, EXTRAORDINARY ITEMS AND DIVIDENDS	<u>£ 84,511</u>	<u>£ (68,979)</u>

ETON TRAVEL AGENCY LIMITED
BALANCE SHEET
30 SEPTEMBER 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Tangible assets	9	1,165,793	1,196,671
Investments	10	<u>116,296</u>	<u>108,321</u>
		1,282,089	1,304,992
CURRENT ASSETS			
Stocks	11	5,000	5,000
Debtors	12	1,859,626	2,232,313
Investments	13	3,098	3,098
Cash at bank and in hand		<u>379,606</u>	<u>65,771</u>
		2,247,330	2,306,182
CREDITORS: Amounts falling due within one year	14	<u>(1,440,523)</u>	<u>(1,961,357)</u>
NET CURRENT ASSETS		806,807	344,825
TOTAL ASSETS LESS CURRENT LIABILITIES		2,088,896	1,649,817
CREDITORS: Amounts falling due after more than one year	15	<u>(1,078,627)</u>	<u>(721,619)</u>
NET ASSETS		<u>£ 1,010,269</u>	<u>£ 928,198</u>
CAPITAL AND RESERVES			
Called up share capital	17	198,000	198,000
Revaluation reserve	18	112,670	115,110
Profit and loss account	18	<u>699,599</u>	<u>615,088</u>
SHAREHOLDERS' FUNDS	19	<u>£ 1,010,269</u>	<u>£ 928,198</u>

Approved by the board on
and signed on its behalf by:

21st December 2001

.....*Christoph Klinker*.....

C KLINKER

.....*K. Thompson*.....

K THOMPSON
DIRECTOR

ETON TRAVEL AGENCY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2001

		2001	2000
		£	£
CASH FLOW STATEMENT			
Net cash inflow/(outflow) from operating activities	25	267,838	(50,773)
Returns on investments and servicing of finance			
Interest received		6,173	5,938
Interest paid		(79,987)	(134,480)
Dividends received		<u>-</u>	<u>7</u>
Net cash outflow for returns on investments and servicing of finance		(73,814)	(128,535)
Taxation		(232,704)	(66,001)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(51,596)	(58,947)
Payments to acquire investments		(7,975)	(9,968)
Receipts from sales of investments		<u>-</u>	<u>(529)</u>
Net cash outflow for capital expenditure		(59,571)	(69,444)
Net cash outflow before management of liquid resources and financing		(98,251)	(314,753)
Management of liquid resources			
Current asset investments		-	597
FINANCING			
New secured bank loans		1,090,000	-
New commercial loans		51,369	32,577
Repayment of bank loans		(26,749)	(26,808)
Repayment of other loans		(694,006)	(21,503)
Capital element of hire purchase contracts		<u>(8,528)</u>	<u>(4,348)</u>
Net cash inflow/(outflow) from financing		412,086	(20,082)
INCREASE/(DECREASE) IN CASH IN THE YEAR	27	<u>£ 313,835</u>	<u>£ (334,238)</u>

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001

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1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Freehold Land and Buildings and in accordance with applicable accounting standards.

b) Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

c) 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 freehold	Straight line over fifty years
Fixtures, fittings and equipment	Straight line over 5 – 7 years
Motor vehicles	Straight line over 4 years

d) Leased assets

Where the company has entered into finance leases, the obligations to the lessor are shown as part of borrowings and the rights in the corresponding assets are treated in the same way as owned fixed assets. Leases are regarded as finance leases where their terms transfer to the lessee substantially all the benefits and burdens of ownership other than the right to legal title.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

e) Investments

Fixed asset investments comprise contributions to an endowment fund and are stated at cost.

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

f) Stock

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

g) Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period.

h) Deferred taxation

Deferred taxation is provided on all timing differences to the extent that the directors consider that a liability will arise in the foreseeable future. Timing differences are taxable items, allowances or reliefs which are given effect to in taxation periods different from those in which they have effect in the accounts. They comprise mainly accelerated tax depreciation allowances and short term timing differences.

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2001

2. TURNOVER

The turnover and profit before tax is wholly attributable to the company's sole activity, which is carried out entirely in the United Kingdom.

3. OPERATING PROFIT

	2001 £	2000 £
Operating profit is stated after charging:		
Depreciation of tangible assets	82,474	98,583
Operating lease rentals - plant and machinery	38,613	94,969
- land and buildings	26,250	26,250
Auditors' remuneration - audit	10,000	9,000
- other services	<u>£ 5,000</u>	<u>£ -</u>

4. EMPLOYEES

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

	2001 No.	2000 No.
Directors	1	1
Administration	10	10
Travel operatives	39	43
Drivers and cleaners	<u>5</u>	<u>5</u>
	<u>55</u>	<u>59</u>

EMPLOYMENT COSTS

	£	£
Wages and salaries	1,162,482	1,287,603
Social security costs	102,368	114,325
Other pension costs	<u>22,044</u>	<u>29,072</u>
	<u>£ 1,286,894</u>	<u>£ 1,431,000</u>

5. DIRECTORS EMOLUMENTS

	2001 £	2000 £
Emoluments for qualifying services	170,176	140,968
Company pension contributions to money purchase schemes	<u>8,800</u>	<u>11,200</u>
	<u>£ 178,976</u>	<u>£ 152,168</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2000: 1).

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2001

6. INVESTMENT INCOME

	2001 £	2000 £
Income from fixed asset investments	<u>£ -</u>	<u>£ (522)</u>

7. INTEREST PAYABLE

	2001 £	2000 £
On overdrafts	9,928	35,077
Bank and commercial loans	67,408	97,582
Hire purchase interest	2,651	1,326
On overdue tax	<u>-</u>	<u>495</u>
	<u>£ 79,987</u>	<u>£ 134,480</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
BASED ON PROFITS FOR THE YEAR		
UK corporation tax charge at 20% (2000: 20%)	14,000	(10,000)
Release of S419 provision	<u>(81,255)</u>	<u>-</u>
	<u>£ (67,255)</u>	<u>£ (10,000)</u>

9. TANGIBLE FIXED ASSETS

	Land & buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
COST				
At 1 October 2000	1,221,872	345,157	22,750	1,589,779
Additions	<u>-</u>	<u>51,596</u>	<u>-</u>	<u>51,596</u>
At 30 September 2001	<u>1,221,873</u>	<u>396,753</u>	<u>22,750</u>	<u>1,641,375</u>
DEPRECIATION				
At 1 October 2000	194,829	189,619	8,660	393,108
Charge for the year	<u>15,937</u>	<u>60,849</u>	<u>5,688</u>	<u>82,474</u>
At 30 September 2001	<u>210,766</u>	<u>250,468</u>	<u>14,348</u>	<u>475,582</u>
NET BOOK VALUES:				
At 30 September 2001	<u>£1,011,106</u>	<u>£ 146,285</u>	<u>£ 8,402</u>	<u>£1,165,793</u>
At 30 September 2000	<u>£1,027,043</u>	<u>£ 155,538</u>	<u>£ 14,090</u>	<u>£1,196,671</u>

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2001

9. TANGIBLE FIXED ASSETS (Continued)

Comparable historical cost for the land and buildings included at valuation:

	£
COST	
At 1 July 2000 and 30 September 2001	1,074,872
DEPRECIATION BASED ON COST	
At 1 July 2000	164,939
Charge for the year	<u>13,497</u>
At 30 September 2001	<u>178,436</u>
NET BOOK VALUES:	
At 30 September 2001	<u>£ 896,436</u>
<i>At 30 June 2000</i>	<u><u>£ 909,933</u></u>

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

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
NET BOOK VALUES			
At 30 September 2001	<u>7,045</u>	<u>7,240</u>	<u>14,285</u>
DEPRECIATION CHARGE FOR THE YEAR			
At 30 September 2001	<u>£ 2,660</u>	<u>£ 4,138</u>	<u>£ 6,798</u>

10. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 October 2000	108,321
Additions	<u>7,975</u>
At 30 September 2001	<u>£ 116,296</u>

The market value of investments at 30 September 2001 is £129,103.

11. STOCKS

	2001 £	2000 £
Finished goods and goods for resale	<u>£ 5,000</u>	<u>£ 5,000</u>

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2001

12. DEBTORS

	2001 £	2000 £
Trade debtors	1,305,467	1,608,083
Amounts owed by group undertakings	390,000	-
Corporation tax	10,000	10,000
Other debtors	73,865	595,862
Prepayments and accrued income	<u>80,294</u>	<u>18,368</u>
	<u>£ 1,859,626</u>	<u>£ 2,232,313</u>

13. CURRENT ASSET INVESTMENTS

	2001 £	2000 £
Listed investments	<u>£ 3,098</u>	<u>3,098</u>

14. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	48,958	42,949
Other loans	49,070	-
Net obligations under hire purchase contracts	8,526	8,527
Trade creditors	1,220,677	1,287,940
Corporation tax	16,241	316,200
Other taxes and social security costs	45,851	27,055
Other creditors	36,132	59,755
Accruals and deferred income	<u>15,068</u>	<u>218,931</u>
	<u>£ 1,440,523</u>	<u>£ 1,961,357</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the company.

15. CREDITORS: Amounts falling due after more than one year

	2001 £	2000 £
Bank loans	1,035,796	37,532
Other loans	31,842	664,571
Net obligations under hire purchase contracts	<u>10,989</u>	<u>19,516</u>
	<u>£ 1,078,627</u>	<u>£ 721,619</u>

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2001

15. CREDITORS: Amounts falling due after more than one year (Continued)

LOAN MATURITY ANALYSIS

Loans falling due in more than 1 year are repayable thus:-

	2001 £	2000 £
In more than one year but less than two years:		
Bank loans	50,396	37,532
Other loans	27,208	5,417
Hire purchase contracts	<u>6,529</u>	<u>12,987</u>
	<u>84,133</u>	<u>55,936</u>
In more than two years but less than five years		
Bank loans	176,032	-
Other loans	4,634	80,593
Hire purchase contracts	<u>4,460</u>	<u>6,529</u>
	<u>185,126</u>	<u>87,122</u>
In more than five years		
Bank loans	<u>809,368</u>	<u>578,561</u>

Bank loans are made up of: -

- A commercial mortgage, accruing interest at 2.25% over the base rate and repayable by monthly instalments terminating in August 2013;
- A commercial mortgage accruing interest at 2.25% over the base rate and repayable by one bullet instalment in August 2013;
- A bank loan taken to assist the management buy-out of the company, accruing interest at 2.75% over the base rate and repayable by monthly instalments terminating in August 2013.

All bank loans are with the National Westminster Bank and are subject to the following security.

- Fixed and floating charge over the assets of the company and its parent;
- First legal charges over the company's freehold property and endowment policy.

NET OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

Repayable within one year	11,178	11,177
Repayable between one and five years	<u>12,314</u>	<u>23,492</u>
	23,492	34,669
Finance charges and interest allocated to future accounting years	<u>(3,976)</u>	<u>(6,627)</u>
	19,516	28,042
Included liabilities falling due within one year	<u>(8,526)</u>	<u>(8,527)</u>
	<u>£ 10,990</u>	<u>£ 19,515</u>

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2001

16. PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £13,244 (2000: £17,872). A separate scheme is operated for directors to which the company contributed £8,800 (2000: £11,200).

17. SHARE CAPITAL

	2001 £	2000 £
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>

18. STATEMENT OF MOVEMENTS ON RESERVES

	Profit and Loss Account 2001 £	Revaluation Reserve 2000 £	Total £
Balance at 1 October 2000	615,088	115,110	730,198
Retained profit for the year	82,071	-	82,071
Transfer from revaluation reserve to profit and loss account		-	
Depreciation written back	<u>2,440</u>	<u>(2,440)</u>	<u>-</u>
Balance at 30 September 2001	<u>£ 699,599</u>	<u>£ 112,670</u>	<u>£ 812,269</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit/(loss) for the financial year	82,071	(72,529)
Opening shareholders' funds	<u>928,198</u>	<u>1,000,728</u>
CLOSING SHAREHOLDERS' FUNDS	<u>£ 1,010,269</u>	<u>£ 928,198</u>

20. CONTINGENT LIABILITIES

The long term investment endowment policy is valued at the cost of the premiums paid, on the assumption that the premiums will continue to be paid in accordance with the terms of the policy. Should the policy be surrendered before the maturity date, the surrender value 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 policy as the directors consider that all future premiums will be paid as they fall due.

The company is subject to a cross guarantee with Eton Travel Holdings Limited in respect of all borrowings with the National Westminster Bank.

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2001

21. FINANCIAL COMMITMENTS

At 30 September 2001 the company had annual commitments in respect of non-cancellable operating leases as follows:

	Land and buildings		Other	
	2001	2000	2001	2000
	£	£	£	£
Expiry date:				
Within one year	-	-	746	6,015
Between two and five years	26,250	-	11,680	28,278
In over five years	-	26,250	-	-
	<u>£ 26,250</u>	<u>£ 26,250</u>	<u>£ 12,426</u>	<u>£ 34,293</u>

22. TRANSACTIONS WITH DIRECTORS

The following directors had interest free loans during the year. The movement on these loans are as follows: -

	Amount outstanding		Maximum in
	2001	2000	year
J C Butler's account (debit balance)	<u>£ Nil</u>	<u>£ 439,302</u>	<u>£ 461,442</u>

23. ULTIMATE PARENT UNDERTAKING

Eton Travel Holdings Limited is regarded as the Ultimate parent undertaking.

Transactions with Eton Travel Holdings Limited have not been disclosed by virtue of the fact that the company's results are consolidated with group accounts produced by the parent.

24. RELATED PARTIES

Mr J C Butler is also the controlling partner in the business partnership of Eton T-Shirt Co. During the year the company purchased goods and services from Eton T-Shirt Co totalling £1,422 (2000: £2,114). At the year end there was an amount due to Eton T-Shirt Co of £127 (2000: £223), included in the accounts.

25. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2001	2000
	£	£
Operating profit	208,726	46,535
Depreciation of tangible assets	82,474	98,583
Decrease in debtors	372,687	164,111
(Decrease) in creditors within one year	(275,953)	(360,002)
Exceptional mortgage penalty costs	<u>(120,096)</u>	<u>-</u>
Net cash inflow/(outflow) from operating activities	<u>£ 267,838</u>	<u>£ (50,773)</u>

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2001

26. ANALYSIS OF NET DEBT

	2000 £	Cash flow £	2001 £
Cash at bank and in hand	<u>65,771</u>	<u>313,835</u>	<u>379,606</u>
Liquid resources:			
Short-term investments	<u>3,098</u>	<u>-</u>	<u>3,098</u>
Hire purchase agreements	(28,043)	8,528	(19,515)
Debts falling due within one year	(42,949)	(55,079)	(98,028)
Debts falling due after one year	<u>(702,103)</u>	<u>(365,535)</u>	<u>(1,067,638)</u>
	<u>(773,095)</u>	<u>(412,086)</u>	<u>(1,185,181)</u>
Net debt	<u>£ (704,226)</u>	<u>£ (98,251)</u>	<u>£ (802,477)</u>

27. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001 £	2000 £
Increase/(decrease) in cash in the year	313,835	(334,238)
Cash inflow from decrease in liquid resources	-	(597)
Cash outflow from decrease in debt and lease financing	<u>788,261</u>	<u>20,081</u>
Change in net debt resulting from cash flows	1,102,096	(314,754)
New finance lease	-	(32,390)
New bank loans	(1,090,000)	-
New commercial loans	<u>(110,347)</u>	<u>-</u>
Movement in debt in the year	(98,251)	(347,144)
Opening in net debt	<u>(704,226)</u>	<u>(357,082)</u>
Closing net debt	<u>£ (802,477)</u>	<u>£ (704,226)</u>