

(COMPANY NUMBER: 1732607)

REGISTRARS COPY

ETON TRAVEL AGENCY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002



ETON TRAVEL AGENCY LIMITED
REPORT AND FINANCIAL STATEMENTS REGISTRARS COPY
FOR THE YEAR ENDED 30 SEPTEMBER 2002

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ETON TRAVEL AGENCY LIMITED
COMPANY INFORMATION REGISTRARS COPY

DIRECTORS: K Thompson
M Boone
C Klinker

SECRETARY: L A Butler

COMPANY NUMBER: 1732607

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

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

ETON TRAVEL AGENCY LIMITED

DIRECTOR'S REPORT

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The directors present their report and financial statements for the year ended 30 September 2002.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

The results for the year show a profit of £173,128 (2001: £14,816).

The directors are pleased with the results for the year and expect growth of the business in the coming year.

The directors do not recommend the payment of a dividend.

CHARITABLE DONATIONS

During the year the company made donations totalling £1,277 (2001: £230) to local charities.

DIRECTORS' AND THEIR INTERESTS

The directors during the year were:

K Thompson
M Boone
C Klinker

All of the directors have an indirect interest in Eton Travel Agency Limited through the holding company, Eton Travel Holdings Limited, as shown in the accounts of that company.

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 12 October 2002
and signed on its behalf by



C KLINKER
DIRECTOR

REGISTRARS COPY

ETON TRAVEL AGENCY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for the financial year 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 2002 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.

**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 2002 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

13 December 2002

HORWATH CLARK WHITEHILL
Chartered Accountants and
Registered Auditors

ETON TRAVEL AGENCY LIMITED REGISTRARS COPY
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2002

	Note	2002 £	2001 £
TURNOVER	2	20,558,930	23,923,763
Cost of sales		<u>(18,427,790)</u>	<u>(21,760,935)</u>
GROSS PROFIT		2,131,140	2,162,828
Distribution costs		(57,011)	(73,863)
Administrative expenses		<u>(1,815,720)</u>	<u>(1,880,239)</u>
OPERATING PROFIT	3	258,409	208,726
Exceptional mortgage penalty costs		-	(120,096)
Investment income	6	4	-
Other interest receivable and similar income		13,603	6,173
Interest payable and similar charges	7	<u>(98,888)</u>	<u>(79,987)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		173,128	14,816
Tax on profit on ordinary activities	8	<u>(43,625)</u>	<u>67,255</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	18	<u>£ 129,503</u>	<u>£ 82,071</u>

The profit and loss account contains all the gains and losses recognised in the period and represents the only movement in shareholders' funds. All operations are continuing.

ETON TRAVEL AGENCY LIMITED REGISTRARS COPY
HISTORICAL COST PROFIT
FOR THE YEAR ENDED 30 SEPTEMBER 2002

HISTORICAL COST PROFITS/(LOSSES)

	2002 £	2001 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	173,128	14,816
Difference between the historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	<u>2,440</u>	<u>2,440</u>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>£ 175,568</u>	<u>£ 17,256</u>
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION, EXTRAORDINARY ITEMS AND DIVIDENDS	<u>£ 131,943</u>	<u>£ 84,511</u>

ETON TRAVEL AGENCY LIMITED

BALANCE SHEET

REGISTRARS COPY

30 SEPTEMBER 2002

	Notes	£	2002 £	2001 £
FIXED ASSETS				
Tangible assets	9		1,097,587	1,165,793
Investments	10		<u>124,271</u>	<u>116,296</u>
			1,221,858	1,282,089
CURRENT ASSETS				
Stocks	11	5,000		5,000
Debtors	12	1,678,716		1,859,626
Investments	13	3,098		3,098
Cash at bank and in hand		<u>638,642</u>		<u>379,606</u>
		2,325,456		2,247,330
CREDITORS: Amounts falling due within one year	14	<u>(1,426,366)</u>		<u>(1,440,523)</u>
NET CURRENT ASSETS			<u>899,090</u>	<u>806,807</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,120,948	2,088,896
CREDITORS: Amounts falling due after more than one year	15		<u>(981,176)</u>	<u>(1,078,627)</u>
NET ASSETS			<u>£ 1,139,772</u>	<u>£ 1,010,269</u>
CAPITAL AND RESERVES				
Called up share capital	17		198,000	198,000
Revaluation reserve	18		110,230	112,670
Profit and loss account	18		<u>831,542</u>	<u>699,599</u>
SHAREHOLDERS' FUNDS	19		<u>£ 1,139,722</u>	<u>£ 1,010,269</u>

Approved by the board on 12 August 2002
and signed on its behalf by:



C KLINKER



K THOMPSON
DIRECTOR

ETON TRAVEL AGENCY LIMITED REGISTRARS COPY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2002

		2002	2001
		£	£
CASH FLOW STATEMENT			
Net cash inflow from operating activities	24	479,472	267,838
Returns on investments and servicing of finance			
Interest received		13,603	6,173
Interest paid		(98,888)	(79,987)
Dividends received		<u>4</u>	<u>-</u>
Net cash outflow for returns on investments and servicing of finance		(85,281)	(73,814)
Taxation			
Corporation tax recovered		10,093	
Corporation tax paid		<u>(13,959)</u>	
		(3,866)	(232,704)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(14,505)	(51,596)
Payments to acquire investments		<u>(7,975)</u>	(7,975)
Net cash outflow for capital expenditure		<u>(22,480)</u>	<u>(59,571)</u>
Net cash inflow/(outflow) before management of liquid resources and financing		367,845	(98,251)
FINANCING			
New secured bank loans		-	1,090,000
New commercial loans		-	51,369
Repayment of bank loans		(51,213)	(26,749)
Repayment of other loans		(49,070)	(694,006)
Capital element of hire purchase contracts		<u>(8,526)</u>	<u>(8,528)</u>
Net cash (outflow)/inflow from financing		<u>(108,809)</u>	412,086
INCREASE IN CASH IN THE YEAR	26	<u>£ 259,036</u>	<u>£ 313,835</u>

The notes on pages 10 to 19 form part of these financial statements

ETON TRAVEL AGENCY LIMITED REGISTRARS COPY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

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.

ETON TRAVEL AGENCY LIMITED REGISTRARS COPY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

1. ACCOUNTING POLICIES (continued)

h) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more, or a right to pay less of to receive more, tax, with the following exceptions:-

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

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

	2002 £	2001 £
Operating profit is stated after charging:		
Depreciation of tangible assets	82,711	82,474
Operating lease rentals - plant and machinery	33,147	38,613
- land and buildings	26,250	26,250
Auditors' remuneration - audit	10,500	10,000
- other services	<u>£ 2,468</u>	<u>£ 5,000</u>

4. EMPLOYEES

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

	2002 No.	2001 No.
Directors	3	1
Administration	11	10
Travel operatives	40	39
Drivers and cleaners	<u>5</u>	<u>5</u>
	<u>59</u>	<u>55</u>

EMPLOYMENT COSTS

	£	£
Wages and salaries	1,193,724	1,162,482
Social security costs	103,618	102,368
Other pension costs	<u>37,562</u>	<u>22,044</u>
	<u>£ 1,334,904</u>	<u>£ 1,286,894</u>

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2002

5. DIRECTORS EMOLUMENTS

	2002 £	2001 £
Emoluments for qualifying services	193,586	170,176
Company pension contributions to money purchase schemes	<u>3,410</u>	<u>8,800</u>
	<u>£ 196,996</u>	<u>£ 178,976</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2001: 4).

6. INVESTMENT INCOME

	2002 £	2001 £
Income from fixed asset investments	<u>£ 4</u>	<u>£ -</u>

7. INTEREST PAYABLE

	2002 £	2001 £
On overdrafts	85,443	9,928
Bank and commercial loans	10,600	67,408
Hire purchase interest	2,651	2,651
On overdue tax	<u>194</u>	<u>-</u>
	<u>£ 98,888</u>	<u>£ 79,987</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) The taxation charge comprises:-

	2002 £	2001 £
Current tax:		
UK corporation tax at 19% (2001: 20%)	46,000	14,000
Overprovision from previous years	(2,375)	-
Release of S419 tax provision	<u>-</u>	<u>(81,255)</u>
Total current tax (note 8b)	<u>£ 43,625</u>	<u>£ (67,255)</u>

REGISTRARS COPY

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2002

8. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

b) Reconciliation of current tax charge

Profit on ordinary activities before tax	<u>173,128</u>	<u>14,816</u>
Profit on ordinary activities multiplied by marginal rate of corporation tax in the UK of 20% (2001: 20%)	<u>34,422</u>	<u>3,004</u>
Effects of:		
Expenses not deductible for tax purposes	324	7,278
Depreciation on non-qualifying assets	3,028	3,187
Deferred tax not provided on current year timing differences	8,294	531
Over provision in prior years	(2,375)	-
Adjustment for change in tax rates	(68)	-
Release of S419 provision	<u>-</u>	<u>(81,255)</u>
	<u>£ 43,625</u>	<u>£ (67,255)</u>

9. TANGIBLE FIXED ASSETS

	Land & buildings Freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
COST				
At 1 October 2001	1,221,872	396,753	22,750	1,641,375
Additions	<u>-</u>	<u>10,874</u>	<u>3,631</u>	<u>14,505</u>
At 30 September 2002	<u>1,221,872</u>	<u>407,627</u>	<u>26,381</u>	<u>1,655,880</u>
DEPRECIATION				
At 1 October 2001	210,766	250,468	14,348	475,582
Charge for the year	<u>15,937</u>	<u>60,178</u>	<u>6,596</u>	<u>82,711</u>
At 30 September 2002	<u>226,703</u>	<u>310,646</u>	<u>20,944</u>	<u>558,293</u>
NET BOOK VALUES:				
At 30 September 2002	<u>£ 995,169</u>	<u>£ 96,981</u>	<u>£ 5,437</u>	<u>£1,097,587</u>
At 30 September 2001	<u>£1,011,106</u>	<u>£ 146,285</u>	<u>£ 8,402</u>	<u>£1,165,793</u>

REGISTRARS COPY

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2002

9. TANGIBLE FIXED ASSETS (Continued)

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

	£
COST	
At 1 October 2001 and 30 September 2002	<u>1,074,872</u>
DEPRECIATION BASED ON COST	
At 1 October 2001	178,436
Charge for the year	<u>13,497</u>
At 30 September 2002	<u>191,933</u>
NET BOOK VALUES:	
At 30 September 2002	<u>£ 882,939</u>
<i>At 30 September 2001</i>	<i><u>£ 896,436</u></i>

The last professional valuation of the land and buildings was carried out on the 31 May 2001. No new valuation has been carried out during the year as the directors are unaware of any material change in value.

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 2002	<u>4,457</u>	<u>5,430</u>	<u>9,887</u>
DEPRECIATION CHARGE FOR THE YEAR			
At 30 September 2002	<u>£ 2,588</u>	<u>£ 4,138</u>	<u>£ 6,726</u>

10. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 October 2001	116,296
Additions	<u>7,975</u>
At 30 September 2002	<u>£ 124,271</u>

The market value of investments at 30 September 2002 is £116,758 (2001: £129,103).

7-10 STRIPS COPY

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2002

11. STOCKS

	2002 £	2001 £
Finished goods and goods for resale	<u>£ 5,000</u>	<u>£ 5,000</u>

12. DEBTORS

	2002 £	2001 £
Trade debtors	1,146,580	1,305,467
Amounts owed by group undertakings	390,000	390,000
Corporation tax	-	10,000
Other debtors	49,256	73,865
Prepayments and accrued income	<u>92,880</u>	<u>80,294</u>
	<u>£ 1,678,716</u>	<u>£ 1,859,626</u>

13. CURRENT ASSET INVESTMENTS

	2002 £	2001 £
Listed investments	<u>£ 3,098</u>	<u>3,098</u>

14. CREDITORS: Amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts	56,999	48,958
Other loans	27,208	49,070
Net obligations under hire purchase contracts	10,989	8,526
Trade creditors	1,171,784	1,220,677
Corporation tax	46,000	16,241
Other taxes and social security costs	51,101	45,851
Other creditors	48,905	36,132
Accruals and deferred income	<u>13,380</u>	<u>15,068</u>
	<u>£ 1,426,366</u>	<u>£ 1,440,523</u>

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

	2002 £	2001 £
Bank loans	976,542	1,035,796
Other loans	4,634	31,842
Net obligations under hire purchase contracts	<u>-</u>	<u>10,989</u>
	<u>£ 981,176</u>	<u>£ 1,078,627</u>

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2002

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:-

	2002 £	2001 £
In more than one year but less than two years:		
Bank loans	61,361	50,396
Other loans	4,634	27,208
Hire purchase contracts	-	6,529
	<u>65,995</u>	<u>84,133</u>
In more than two years but less than five years		
Bank loans	207,117	176,032
Other loans	-	4,634
Hire purchase contracts	-	4,460
	<u>207,117</u>	<u>185,126</u>
In more than five years		
Bank loans	<u>708,694</u>	<u>809,368</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	12,314	11,178
Repayable between one and five years	-	12,314
	<u>12,314</u>	<u>23,492</u>
Finance charges and interest allocated to future accounting years	<u>(1,325)</u>	<u>(3,976)</u>
	10,989	19,516
Included liabilities falling due within one year	<u>(10,989)</u>	<u>(8,526)</u>
	<u>£ -</u>	<u>£ 10,990</u>

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ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2002

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 £34,152 (2001: £13,244).

17. SHARE CAPITAL

	2002 £	2001 £
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 2002 £	Revaluation Reserve 2002 £	Total £
Balance at 1 October 2001	699,599	112,670	812,269
Retained profit for the year	129,503	-	129,503
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 2002	<u>£ 831,542</u>	<u>£ 110,230</u>	<u>£ 941,772</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	129,503	82,071
Opening shareholders' funds	<u>1,010,269</u>	<u>928,198</u>
CLOSING SHAREHOLDERS' FUNDS	<u>£ 1,139,772</u>	<u>£ 1,010,269</u>

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ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2002

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.

21. FINANCIAL COMMITMENTS

At 30 September 2002 the company had annual commitments in respect of non-cancellable operating leases as follows:

	Land and buildings		Other	
	2002	2001	2002	2001
	£	£	£	£
Expiry date:				
Within one year	-	-	1,244	746
Between two and five years	26,250	26,250	31,211	11,680
In over five years	-	-	-	-
	<u>£ 26,250</u>	<u>£ 26,250</u>	<u>£ 32,455</u>	<u>£ 12,426</u>

22. 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.

23. RELATED PARTIES

Mr J C Butler is a related party of Eton Travel Agency Limited by virtue of his shareholding. He 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 £2,507 (2001: £1,422). At the year end there was an amount due to Eton T-Shirt Co of £Nil (2001: £127), included in the accounts.

REGISTRARS COPY

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2002

24. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	258,409	208,726
Depreciation of tangible assets	82,711	82,474
Decrease in debtors	170,910	372,687
(Decrease) in creditors within one year	(32,558)	(275,953)
Exceptional mortgage penalty costs	-	(120,096)
Net cash inflow from operating activities	£ 479,472	£ 267,838

25. ANALYSIS OF NET DEBT

	2001 £	Cash flow £	2002 £
Cash at bank and in hand	379,606	259,036	638,642
Liquid resources:			
Short-term investments	3,098	-	3,098
Hire purchase agreements	(19,515)	8,526	(10,989)
Debts falling due within one year	(98,028)	13,821	(84,207)
Debts falling due after one year	(1,067,638)	86,462	(981,176)
	(1,185,181)	108,809	(1,076,372)
Net debt	£ (802,477)	£ 367,845	£ (434,632)

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

	2002 £	2001 £
Increase in cash in the year	259,036	313,835
Cash outflow from decrease in debt and lease financing	108,809	788,261
Change in net debt resulting from cash flows	367,845	1,102,096
New bank loans	-	(1,090,000)
New commercial loans	-	(110,347)
Movement in debt in the year	367,845	(98,251)
Opening in net debt	(802,477)	(704,226)
Closing net debt	£ (434,632)	£ (802,477)