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(COMPANY NUMBER: 1732607)

ETON TRAVEL AGENCY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005



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REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005

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ETON TRAVEL AGENCY LIMITED
COMPANY INFORMATION

DIRECTORS: K J Thompson
M A Boone
C K Klinker

SECRETARY: L A Butler

COMPANY NUMBER: 1732607

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

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

ETON TRAVEL AGENCY LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 30 September 2005.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of business travel agent together with a groups and conference department and leisure travel.

RESULTS AND DIVIDENDS

The results for the year show a profit before tax and dividend payment of £174,665 (2004: £50,138), and dividend paid of £58,000 (2004: £24,000) the transfer to reserves was £82,359 (2004: £13,836).

The dividend payment was made to Eton Travel Holdings Limited, for the buy back of 29,000 of its own shares during the year.

The directors are very pleased with the results achieved for the year. Turnover is up by 20.2% and net profit before tax is up by 249%. The prospects for the coming year continue to look very encouraging, which should result in further growth and profitability for the company.

The freehold land and buildings have been professionally revalued during the year on an existing use basis at £1.325m, approximately £378k above the figure disclosed in the financial statements.

CHARITABLE DONATIONS

During the year the company made donations totalling £951 (2004: £539).

DIRECTORS' AND THEIR INTERESTS

The directors during the year were:

K J Thompson
M A Boone
C K Klinker

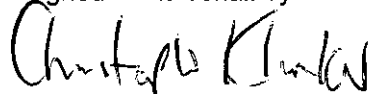
All of the directors have an indirect interest in Eton Travel Agency Limited through the holding company, Eton Travel Holdings Limited, as shown in the accounts of that company.

No right to subscribe for shares in, or debentures of, the entity was granted to, or exercised by, any of the directors during the year.

AUDITORS

Horwath Clark Whitehill LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

Approved by the Board on 20 December 2005
and signed on its behalf by



C K KLINKER
DIRECTOR

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 2005 which comprise of Profit and Loss account, Historical Cost Profit Statement, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

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.

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

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.

UNQUALIFIED OPINION

In our opinion the financial statements give a true and fair view of the state of the company as at 30 September 2005 and of the result for the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Reading

20 December 2005

Robert Clark Whitehill

HORWATH CLARK WHITEHILL LLP
Chartered Accountants and
Registered Auditors

ETON TRAVEL AGENCY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Note	2005 £	2004 £
GROSS SALES	2	<u>28,062,797</u>	<u>23,347,342</u>
Turnover		4,846,214	3,581,957
Cost of sales		<u>2,276,584</u>	<u>1,419,040</u>
GROSS PROFIT		2,569,630	2,162,917
Distribution costs		(79,404)	(71,799)
Administrative expenses		<u>(2,253,027)</u>	<u>(1,972,950)</u>
OPERATING PROFIT	3	237,199	118,168
Investment income	6	150	150
Other interest receivable and similar income		16,263	14,404
Interest payable and similar charges	7	<u>(78,947)</u>	<u>(82,584)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		174,665	50,138
Tax on profit on ordinary activities	8	<u>(34,306)</u>	<u>(12,302)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		140,359	37,836
Dividends paid		<u>(58,000)</u>	<u>(24,000)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	18	<u>£ 82,359</u>	<u>£ 13,836</u>

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

ETON TRAVEL AGENCY LIMITED
HISTORICAL COST PROFIT STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2005

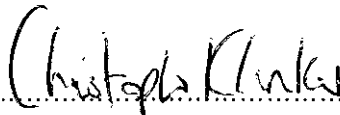
	2005 £	2004 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	174,665	50,138
Difference between the historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	<u>2,440</u>	<u>2,440</u>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>£ 177,105</u>	<u>£ 52,578</u>
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION	<u>£ 177,105</u>	<u>£ 40,276</u>

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

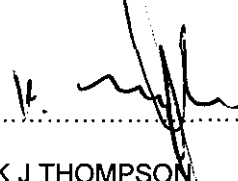
ETON TRAVEL AGENCY LIMITED
BALANCE SHEET
30 SEPTEMBER 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	9	1,104,653	1,038,047
Investments	10	<u>148,195</u>	<u>140,220</u>
		1,252,848	1,178,267
CURRENT ASSETS			
Stocks	11	7,990	10,000
Debtors	12	2,467,512	1,771,227
Investments	13	3,098	3,098
Cash at bank and in hand		<u>510,417</u>	<u>644,819</u>
		2,989,017	2,429,144
CREDITORS: Amounts falling due within one year	14	<u>2,184,157</u>	<u>(1,601,656)</u>
NET CURRENT ASSETS		<u>804,860</u>	<u>827,488</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,057,708	2,005,755
CREDITORS: Amounts falling due after more than one year	15	<u>(838,969)</u>	<u>(869,375)</u>
NET ASSETS		<u>£ 1,218,739</u>	<u>£ 1,136,380</u>
CAPITAL AND RESERVES			
Called up share capital	17	198,000	198,000
Revaluation reserve	18	102,910	105,350
Profit and loss account	18	<u>917,829</u>	<u>833,030</u>
SHAREHOLDERS' FUNDS (EQUITY)	19	<u>£ 1,218,739</u>	<u>£ 1,136,380</u>

Approved by the board on 20 December 2005
and signed on its behalf by:



C K KLINKER
DIRECTOR



K J THOMPSON
DIRECTOR

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

ETON TRAVEL AGENCY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Notes	2005 £	2004 £
CASH FLOW STATEMENT			
Net cash inflow from operating activities	23	143,330	523,300
Returns on investments and servicing of finance			
Interest received		16,263	14,404
Interest paid		(78,947)	(82,584)
Dividends received		<u>150</u>	<u>150</u>
Net cash outflow for returns on investments and servicing of finance		(62,534)	(68,030)
Taxation			
Corporation tax paid		<u>(12,306)</u>	<u>(12,902)</u>
		(12,306)	(12,902)
Capital expenditure and financial investment			
Proceeds from sale of tangible fixed assets		-	-
Payments to acquire tangible fixed assets		(34,009)	(19,268)
Payments to acquire investments		<u>(7,975)</u>	<u>(7,974)</u>
Net cash outflow for capital expenditure		(41,984)	(27,242)
Equity dividends paid			
Dividends paid		<u>(58,000)</u>	<u>(24,000)</u>
Net cash (outflow)/inflow before management of liquid resources and financing		(31,494)	391,126
FINANCING			
Repayment of bank loans		(60,389)	(58,676)
Repayment of other loans		-	(4,634)
Capital element of hire purchase contracts		<u>(42,519)</u>	<u>(15,594)</u>
Net cash outflow from financing		<u>(102,908)</u>	<u>(78,904)</u>
(DECREASE)/INCREASE IN CASH IN THE YEAR	25	<u>£ (134,402)</u>	<u>£ 312,222</u>

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

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005

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

Following the introduction of FRS 5 Application Note G in December 2004, the company has reconsidered its definition of turnover.

Turnover consists of the margin in air tickets, hotel reservations and other travel services. Service fees charged to customers is also included within turnover.

Gross sales represents the gross income in respect of travel arrangements made for customers during the period and is disclosed on the profit and loss account as it reflects the gross cash flows of the company. This was disclosed as turnover prior to the introduction of FRS 5 Application Note G.

c) Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land.

Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets less estimated residual value of each asset over their expected useful life, as follows:

Freehold land and buildings	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 in a straight line over the period of the lease.

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 year.

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2005

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 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

	2005 £	2004 £
Operating profit is stated after charging:		
Depreciation of tangible assets - on owned assets	40,041	49,514
- on leased assets	28,932	9,847
Operating lease rentals - plant and machinery	15,903	29,507
- land and buildings	26,250	26,250
Auditors' remuneration - audit	12,000	11,100
- other services	<u>4,675</u>	<u>2,450</u>

4. EMPLOYEES

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

	2005 No.	2004 No.
Directors	3	3
Administration	13	12
Travel operatives	40	38
Drivers and cleaners	<u>3</u>	<u>4</u>
	<u>59</u>	<u>57</u>

EMPLOYMENT COSTS

	£	£
Wages and salaries	1,491,228	1,331,375
Social security costs	152,645	131,091
Other pension costs	<u>17,365</u>	<u>26,907</u>
	<u>£ 1,661,238</u>	<u>£ 1,489,373</u>

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2005

5. DIRECTORS EMOLUMENTS

	2005 £	2004 £
Emoluments for qualifying services	241,302	205,669
Company pension contributions to money purchase schemes	<u>3,114</u>	<u>2,959</u>
	<u>£ 244,416</u>	<u>£ 208,628</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2004: 3).

In respect of the highest paid director his aggregate remuneration totalled £96,020 (2004: £82,479) and company pension contributions to the money purchase scheme amounted to £672 (2004: £659).

6. INVESTMENT INCOME

	2005 £	2004 £
Income from fixed asset investments	<u>£ 150</u>	<u>£ 150</u>

7. INTEREST PAYABLE

	2005 £	2004 £
Bank and commercial loans	73,541	80,634
Hire purchase contracts	<u>5,406</u>	<u>1,950</u>
	<u>£ 78,947</u>	<u>£ 82,584</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) The taxation charge comprises:-

	2005 £	2004 £
Current tax:		
UK corporation tax at 19% (2004: 19%)	34,500	12,500
Overprovision from previous years	<u>(194)</u>	<u>(198)</u>
Total current tax (note 8b)	<u>£ 34,306</u>	<u>£ 12,302</u>

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2005

8. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

b) Reconciliation of current tax charge

Profit on ordinary activities before tax	<u>£ 174,665</u>	<u>£ 50,138</u>
Profit on ordinary activities multiplied by marginal rate of corporation tax in the UK of 19% (2004: 19%)	33,186	9,526
Effects of:		
Expenses not deductible for tax purposes	1,163	353
Depreciation on non-qualifying assets	3,028	3,028
Capital allowances in excess of depreciation	(3,141)	(566)
Over provision in prior years	(194)	(198)
Contingency	<u>264</u>	<u>159</u>
	<u>£ 34,306</u>	<u>£ 12,302</u>

9. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
COST				
At 1 October 2004	1,221,872	462,279	30,591	1,714,742
Additions	-	34,009	101,570	135,579
Disposals	<u>-</u>	<u>-</u>	<u>(3,631)</u>	<u>(3,631)</u>
At 30 September 2005	<u>1,221,872</u>	<u>496,288</u>	<u>128,530</u>	<u>1,846,690</u>
DEPRECIATION				
At 1 October 2004	258,577	408,358	9,760	676,695
Charge for the year	15,937	25,943	27,093	68,973
Disposals	<u>-</u>	<u>-</u>	<u>(3,631)</u>	<u>(3,631)</u>
At 30 September 2005	<u>274,514</u>	<u>434,301</u>	<u>33,222</u>	<u>742,037</u>
NET BOOK VALUES				
At 30 September 2005	<u>£ 947,358</u>	<u>£ 61,987</u>	<u>£ 95,308</u>	<u>£1,104,653</u>
At 30 September 2004	<u>£ 963,295</u>	<u>£ 53,921</u>	<u>£ 20,831</u>	<u>£1,038,047</u>

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2005

9. TANGIBLE FIXED ASSETS (Continued)

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

	£
COST	
At 1 October 2004 and 30 September 2005	<u>1,074,872</u>
DEPRECIATION BASED ON COST	
At 1 October 2004	218,927
Charge for the year	<u>13,497</u>
At 30 September 2005	<u>232,424</u>
NET BOOK VALUES	
At 30 September 2005	<u>£ 842,448</u>
<i>At 30 September 2004</i>	<u><i>£ 855,945</i></u>

A professional valuation of the land and buildings was carried out on the 31 May 2001 on an existing use basis as included in the accounts. A new valuation has been carried out during the year on an existing use basis of £1,325,000. As allowed by FRS15, this increase in the value of the company's freehold land and buildings has not been reflected in the company's accounts.

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 2005	<u>£ 14,540</u>	<u>£ 95,308</u>	<u>£ 109,848</u>
DEPRECIATION CHARGE FOR THE YEAR			
At 30 September 2005	<u>£ 4,154</u>	<u>£ 27,093</u>	<u>£ 31,247</u>

10. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 October 2004	140,220
Additions	<u>7,975</u>
At 30 September 2005	<u>£ 148,195</u>

The market value of investments at 30 September 2005 is £167,603 (2004: £150,547).

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2005

11. STOCKS

	2005 £	2004 £
Finished goods and goods for resale	<u>£ 7,990</u>	<u>£ 10,000</u>

12. DEBTORS

	2005 £	2004 £
Trade debtors	1,838,770	1,211,553
Amounts owed by parent company	389,892	390,000
Other debtors	189,101	122,837
Prepayments and accrued income	<u>49,749</u>	<u>46,837</u>
	<u>£ 2,467,512</u>	<u>£ 1,771,227</u>

13. CURRENT ASSET INVESTMENTS

	2005 £	2004 £
Listed investments	598	598
Unlisted investments	<u>2,500</u>	<u>2,500</u>
	<u>£ 3,098</u>	<u>£ 3,098</u>

14. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Bank loans	65,272	62,152
Net obligations under hire purchase contracts	44,243	18,295
Trade creditors	1,876,073	1,389,809
Corporation tax	34,500	12,500
Other taxes and social security costs	65,673	55,230
Other creditors	84,971	40,759
Accruals and deferred income	<u>13,425</u>	<u>22,911</u>
	<u>£ 2,184,157</u>	<u>£ 1,601,656</u>

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

	2005 £	2004 £
Bank loans	792,528	856,037
Net obligations under hire purchase contracts	<u>46,441</u>	<u>13,338</u>
	<u>£ 838,969</u>	<u>£ 869,375</u>

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2005

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:-

	2005	2004
	£	£
In more than one year but less than two years:		
Bank loans	70,041	66,502
Hire purchase contracts	<u>36,020</u>	<u>10,780</u>
	<u>£ 106,061</u>	<u>£ 77,282</u>
In more than two years but less than five years:		
Bank loans	242,336	228,765
Hire purchase contracts	<u>10,421</u>	<u>2,558</u>
	<u>£ 252,757</u>	<u>£ 231,323</u>
In more than five years:		
Bank loans	<u>£ 480,151</u>	<u>£ 560,770</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 2012;
- A commercial mortgage accruing interest at 2.25% over the base rate and repayable by one bullet instalment in August 2012;
- 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 September 2007.

All bank loans are with the National Westminster Bank and are subject to the following securities:-

- 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.

Since the year end all loans have been refinanced on similar terms.

NET OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2005	2004
	£	£
Repayable within one year	50,174	20,398
Repayable between one and five years	<u>52,185</u>	<u>15,142</u>
	102,359	35,540
Finance charges and interest allocated to future accounting years	<u>(11,675)</u>	<u>(3,907)</u>
	90,684	31,633
Included liabilities falling due within one year	(44,243)	(18,295)
Included liabilities falling due between one and five years	<u>(46,441)</u>	<u>(13,338)</u>
	<u>£ -</u>	<u>£ -</u>

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2005

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 £17,365 (2004: £26,907).

17. SHARE CAPITAL

	2005 £	2004 £
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 £	Revaluation Reserve £	Total £
Balance at 1 October 2004	833,030	105,350	938,380
Retained profit for the year	82,359	-	82,359
Transfer from revaluation reserve to profit and loss account	<u>2,440</u>	<u>(2,440)</u>	<u>-</u>
Balance at 30 September 2005	<u>£ 917,829</u>	<u>£ 102,910</u>	<u>£ 1,020,739</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the financial year	82,359	13,836
Opening shareholders' funds	<u>1,136,380</u>	<u>1,122,544</u>
CLOSING SHAREHOLDERS' FUNDS	<u>£ 1,218,739</u>	<u>£ 1,136,380</u>

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2005

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 2005 the company had annual commitments in respect of non-cancellable operating leases as follows:

	Land and buildings		Other	
	2005	2004	2005	2004
	£	£	£	£
Expiry date:				
Within one year	6,563	-	-	5,411
Between one and five years	<u>-</u>	<u>26,250</u>	<u>7,884</u>	<u>6,240</u>
	<u>£ 6,563</u>	<u>£ 26,250</u>	<u>£ 7,884</u>	<u>£ 11,651</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. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005	2004
	£	£
Operating profit	237,199	118,168
Depreciation of tangible assets	68,973	59,361
Decrease/(increase) in stock	2,010	(5,000)
(Increase)/decrease in debtors	(696,285)	172,918
Increase in creditors within one year	531,433	177,853
Profit on disposal of fixed assets	<u>-</u>	<u>-</u>
Net cash inflow from operating activities	<u>£ 143,330</u>	<u>£ 523,300</u>

ETON TRAVEL AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2005

24. ANALYSIS OF NET DEBT

	2004 £	Cash flow £	Non cash transactions £	2005 £
Cash at bank and in hand	<u>644,819</u>	<u>(134,402)</u>	<u>-</u>	<u>510,417</u>
Liquid resources:				
Short-term investments	<u>3,098</u>	<u>-</u>	<u>-</u>	<u>3,098</u>
Hire purchase agreements	(31,633)	42,519	(101,570)	(90,684)
Debts falling due within one year	(62,152)	(3,120)	-	(65,272)
Debts falling due after one year	<u>(856,037)</u>	<u>63,509</u>	<u>-</u>	<u>(792,528)</u>
	<u>(949,822)</u>	<u>102,908</u>	<u>(101,570)</u>	<u>(948,484)</u>
Net debt	<u>£ (301,905)</u>	<u>£ (31,494)</u>	<u>£ (101,570)</u>	<u>£ (434,969)</u>

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

	2005 £	2004 £
(Decrease)/increase in cash in the year	(134,402)	312,222
Cash outflow from decrease in debt and lease financing	<u>102,908</u>	<u>78,904</u>
Change in net (debt)/funds resulting from cash flows	(31,494)	391,126
New hire purchase agreements	<u>(101,570)</u>	<u>(16,273)</u>
Movement in (debt)/funds in the year	(133,064)	374,853
Opening net debt	<u>(301,905)</u>	<u>(676,758)</u>
Closing net debt	<u>£ (434,969)</u>	<u>(301,905)</u>