

Registered number: 01732607

ETON TRAVEL AGENCY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017



ETON TRAVEL AGENCY LIMITED

COMPANY INFORMATION

Directors	K J Thompson M A Boone C K Klinker
Company secretary	K J Thompson
Registered number	01732607
Registered office	104 - 105 High Street Eton Windsor Berkshire SL4 6AF
Independent auditor	Crowe Clark Whitehill LLP Aquis House 49 - 51 Blagrove Street Reading Berkshire RG1 1PL

ETON TRAVEL AGENCY LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 8
Statement of comprehensive income	9
Balance sheet	10 - 11
Statement of changes in equity	11
Statement of cash flows	12 - 13
Notes to the financial statements	14 - 29

ETON TRAVEL AGENCY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

Introduction

The directors present their strategic report for the year ended 30 September 2017.

Business review

Trading for the year ended 30th September 2017 has been positive, with our gross sales up by £3.0m or 7.52% to £42.7m (2016: £39.7m). We have achieved a net profit after tax of £232,229 (2016: £217,717).

Turnover for the first quarter of our new financial year is up by £363,133 or 3.74% to £10m as against £9.7m the previous year, therefore, the increase from our last financial year has continued into the New Year.

We continue to review our entire operation with the anticipation of reducing our costs and at the same time improving our productivity and increasing our earning, thus increasing profitability throughout the business.

During the year, we have invested in excess of £150k in capital expenditure, with the view to continue to improve our performance, productivity and the quality of data provided to our corporate clients, this has been made up as detailed below:-

1. At a cost of £25k in replacing our mid-office system to Insight, which also provides us with their Room Service Hotel Booking Management System, this went live on the 1st November 2017.
2. At the same time, we have changed our accounting system to Sage, at a cost of £20k.
3. At a cost of £112k, we have improved the quality of our data to our corporate clients, with a new reporting tool, that we promote as ETON DATA SENSE. This will allow direct visibility of invoiced data, which means our corporate clients will have access to not only an extensive reporting capability, in order to analyse the data that matters to them, but also will give them the ability to track their travellers anywhere in the world and thereby assist them in their 'duty of care' provision, which is now expected of all employers.

We have continued with our Profit Related Pay Scheme during the financial year, which has helped us to continue to focus our minds on improving our productivity and earnings and this has resulted in a payment to our employees in excess of £70.6k for their performance during the financial year, up by more than £23k over the previous year.

ETON TRAVEL AGENCY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

Principal risks and uncertainties

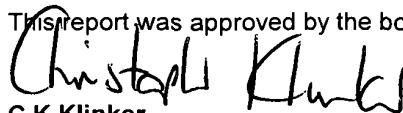
The potential risks identified as relevant to our business for the coming financial year are detailed below:-

- 1) A failure of our IT infrastructure, as it is critical that we have access to our data bases continually – this risk is mitigated by the fact that we are on the cloud. The cloud allows instant disaster recovery as we can access information from anywhere via the internet. The cloud also incorporates auto back up of data from the data centre's disaster recovery plan to other data sites. In addition the data belongs to Eton Travel, so any change of provider would be straight forward.
- 2) The Internet and the threat of our clients booking direct – we mitigate this risk by ensuring that we add value to the services offered. The web also allows us to access full content worldwide. In conjunction with Concur, we operate our own online booking tool offering competitive fares to our corporate clients.
- 3) A recent threat that has become more prominent is the risk of online viruses. The viruses affecting the industry are capable of withholding client information and also infecting files held on our cloud based storage system. To fight against this threat, we are in constant liaison with our IT security providers to ensure that we have the most effective forms of defence. We are also educating staff to detect suspicious emails and any other suspicious online activity.
- 4) Terrorism and conflicts remains a threat to all aspects of our business – the impact of this is mitigated by our crisis management teams for onsite or online cover for any events.
- 5) Industrial disputes throughout Europe continue to disrupt our business- the impact of this is mitigated by Traveller Tracking, email/SMS alerts. (requires corporate sign up), pre trip/post trip reports for proactive advice, along with keeping travellers informed via the news page on our website, along with twitter accounts.

Financial key performance indicators

The financial highlights for the year were:-

- Gross sales up by £3.0m to £42.7m (2016: £39.7m)
- Operating profit of £290,889 (2016: £287,207)
- Net cash inflow from operating activities was £613,756 (2016: £330,739)
- Closing positive cash balance of £1,398,582 (2016: £1,018,578)
- Capital expenditure in the year of £194,942 (2016: £49,648)

This report was approved by the board on 30th January 2018 and signed on its behalf.

C K Klinker
Director

ETON TRAVEL AGENCY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present their report and the financial statements for the year ended 30 September 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

Results and dividends

The profit for the year, after taxation, amounted to £232,229 (2016 - £217,717).

During the year the directors proposed a dividend of £82,214 (2016: £115,235) to be paid to the shareholders of the company.

Directors

The directors who served during the year were:

K J Thompson
M A Boone
C K Klinker

Future developments

The directors consider there to be no future developments arising.

ETON TRAVEL AGENCY LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

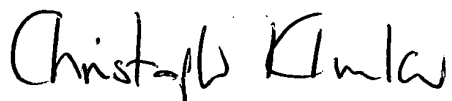
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30th January 2018 and signed on its behalf.



C K Klinker
Director

ETON TRAVEL AGENCY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ETON TRAVEL AGENCY LIMITED

Opinion

We have audited the financial statements of Eton Travel Agency Limited for the year ended 30 September 2017, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

ETON TRAVEL AGENCY LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ETON TRAVEL AGENCY LIMITED
(CONTINUED)**

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

ETON TRAVEL AGENCY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ETON TRAVEL AGENCY LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

ETON TRAVEL AGENCY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ETON TRAVEL AGENCY LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Richard Baker (Senior statutory auditor)

for and on behalf of
Crowe Clark Whitehill LLP

Aquis House
49 - 51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date: 31.1.18

ETON TRAVEL AGENCY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Note	2017 £	2016 £
GROSS SALES		42,664,211	39,681,584
Turnover	4	5,596,015	5,790,292
Cost of sales		(1,380,188)	(1,854,498)
Gross profit		4,215,827	3,935,794
Distribution costs		(73,876)	(60,824)
Administrative expenses		(3,851,062)	(3,587,763)
Operating profit	5	290,889	287,207
Income from fixed assets investments		925	400
Interest receivable and similar income		1,646	1,569
Interest payable and expenses		(76)	(1,931)
Profit before tax		293,384	287,245
Tax on profit	9	(61,155)	(69,528)
Profit for the financial year		232,229	217,717

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 14 to 29 form part of these financial statements.

ETON TRAVEL AGENCY LIMITED
REGISTERED NUMBER: 01732607

BALANCE SHEET
AS AT 30 SEPTEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	11	1,491,237	1,420,409
Investments	12	221,868	-
		<u>1,713,105</u>	<u>1,420,409</u>
Current assets			
Debtors: amounts falling due within one year	13	2,192,700	2,437,487
Current asset investments	14	2,625	2,625
Cash at bank and in hand	15	1,398,582	1,018,578
		<u>3,593,907</u>	<u>3,458,690</u>
Creditors: amounts falling due within one year	16	(2,869,874)	(2,719,436)
Net current assets		<u>724,033</u>	<u>739,254</u>
Total assets less current liabilities		<u>2,437,138</u>	<u>2,159,663</u>
Creditors: amounts falling due after more than one year	17	(105,000)	-
Provisions for liabilities			
Deferred tax	19	(26,960)	(4,500)
		<u>(26,960)</u>	<u>(4,500)</u>
Net assets		<u><u>2,305,178</u></u>	<u><u>2,155,163</u></u>
Capital and reserves			
Called up share capital	20	198,000	198,000
Revaluation reserve		544,250	556,439
Profit and loss account		1,562,928	1,400,724
		<u><u>2,305,178</u></u>	<u><u>2,155,163</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

30th January 2018.

K J Thompson
Director

Christopher Klinker

C K Klinker
Director

The notes on pages 14 to 29 form part of these financial statements.

ETON TRAVEL AGENCY LIMITED
REGISTERED NUMBER: 01732607

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 October 2015	198,000	568,628	1,286,053	2,052,681
Comprehensive income for the year				
Profit for the year	-	-	217,717	217,717
Total comprehensive income for the year	-	-	217,717	217,717
Dividends: Equity capital	-	-	(115,235)	(115,235)
Transfer to/from profit and loss account	-	(12,189)	12,189	-
Total transactions with owners	-	(12,189)	(103,046)	(115,235)
At 1 October 2016	198,000	556,439	1,400,724	2,155,163
Comprehensive income for the year				
Profit for the year	-	-	232,229	232,229
Total comprehensive income for the year	-	-	232,229	232,229
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(82,214)	(82,214)
Transfer to/from profit and loss account	-	(12,189)	12,189	-
Total transactions with owners	-	(12,189)	(70,025)	(82,214)
At 30 September 2017	198,000	544,250	1,562,928	2,305,178

ETON TRAVEL AGENCY LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	232,229	217,717
Adjustments for:		
Depreciation of tangible assets	115,755	115,403
Loss on disposal of tangible assets	1,859	-
Interest paid	76	1,931
Interest received	(2,571)	(1,969)
Taxation	22,461	69,528
Decrease/(increase) in debtors	244,786	(53,137)
Increase/(decrease) in creditors	99,892	(116,674)
Increase/(decrease) in amounts owed by group	7,260	115,235
Corporation tax	(25,762)	(17,295)
Net cash generated from operating activities	695,985	330,739
Cash flows from investing activities		
Purchase of tangible fixed assets	(194,942)	(49,648)
Sale of tangible fixed assets	6,500	-
Purchase of share in associates	(46,868)	-
Interest received	1,646	1,569
Finance lease interest paid	(71)	(964)
Income from investments	925	400
Net cash from investing activities	(232,810)	(48,643)

ETON TRAVEL AGENCY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	2017 £	2016 £
Cash flows from financing activities		
Repayment of/new finance leases	(937)	(11,596)
Dividends paid	(82,229)	(115,235)
Interest paid	(5)	(967)
Net cash used in financing activities	(83,171)	(127,798)
Net increase in cash and cash equivalents	380,004	154,298
Cash and cash equivalents at beginning of year	1,018,578	864,280
Cash and cash equivalents at the end of year	1,398,582	1,018,578
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,398,582	1,018,578
	1,398,582	1,018,578

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. General information

Eton Travel Agency Limited is engaged in that of business travel management, together with a groups and conference division and leisure travel.

The company is a private limited company (registered number 01732607), which is incorporated and domiciled in the UK. The address of the registered office is 104-105 High Street, Eton, Windsor, Berkshire, SL4 6AF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company depends on its existing bank facilities to meet its day to day working capital requirements. Current forecasts indicate that the company expects to be able to operate within these facilities for the foreseeable future. These facilities are due for renewal at the end of April 2018. The Directors are not aware of any circumstances that may adversely affect the renewal of these facilities. Accordingly, the directors believe it is appropriate to prepare the financial statements on the going concern basis.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	- Straight line over 50 years
Leasehold property	- Straight line over the term of the lease
Motor vehicles	- Straight line over 4 years
Fixtures & fittings	- Straight line over 7 years
Office & IT equipment	- Straight line over 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Investment in associates

Associates are held at cost less impairment.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

ETON TRAVEL AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Actual results in the future may differ from estimates upon which financial information has been prepared. These underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if revision affects only that period, or in the period of the revision and future periods if these are also affected.

The estimates and assumptions that affect the current year or have a significant risk of causing a material adjustment, in either direction, within the next financial year are considered to be the consideration, and carrying value, in relation to the investment in Ball Associates Limited.

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Sales	3,781,776	4,119,061
Transaction fees	1,814,239	1,671,231
	<u>5,596,015</u>	<u>5,790,292</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	115,755	115,403
Other operating lease rentals	51,161	65,577
Defined contribution pension cost	36,451	34,918
	<u>115,755</u>	<u>115,403</u>

6. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>17,870</u>	<u>17,510</u>
Fees payable to the Company's auditor and its associates in respect of:		
All other services	<u>12,160</u>	<u>5,650</u>
	<u>12,160</u>	<u>5,650</u>

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	2,476,127	2,382,676
Social security costs	218,364	209,658
Cost of defined contribution scheme	36,451	34,918
	<u>2,730,942</u>	<u>2,627,252</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Directors	3	3
Administration	15	16
Travel operatives	63	64
Drivers and cleaners	2	2
	<u>83</u>	<u>85</u>

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	192,600	177,925
Company contributions to defined contribution pension schemes	5,661	4,207
	<u>198,261</u>	<u>182,132</u>

During the year retirement benefits were accruing to 3 directors (2016 - 3) in respect of defined contribution pension schemes.

The company considers the directors to be the only members of key management. Therefore the note above also represents the remuneration of key management personnel.

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

9. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	39,041	64,718
Adjustments in respect of previous periods	(346)	310
	<u>38,695</u>	<u>65,028</u>
Total current tax	<u>38,695</u>	<u>65,028</u>
Deferred tax		
Origination and reversal of timing differences	22,460	4,500
Total deferred tax	<u>22,460</u>	<u>4,500</u>
Taxation on profit on ordinary activities	<u>61,155</u>	<u>69,528</u>

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - *higher than*) the standard rate of corporation tax in the UK of 19.5% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>293,384</u>	<u>287,245</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2016 - 20%)	57,210	59,399
Effects of:		
Fixed asset differences	5,317	3,465
Expenses not deductible for tax purposes	2,371	1,624
Adjustments to tax charge in respect of prior periods	(346)	310
Non-taxable income	(180)	(80)
Deferred tax not previously recognised	(3,217)	4,816
Group relief	-	(6)
Total tax charge for the year	<u>61,155</u>	<u>69,528</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Dividends

	2017 £	2016 £
Dividends paid during the year	<u>82,214</u>	<u>115,235</u>
	<u>82,214</u>	<u>115,235</u>

ETON TRAVEL AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

11. Tangible fixed assets

	Freehold property £	S/Term Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation						
At 1 October 2016	1,284,294	38,038	194,555	206,607	502,005	2,225,499
Additions	-	-	-	17,282	177,660	194,942
Disposals	-	-	(13,835)	-	(4,799)	(18,634)
At 30 September 2017	1,284,294	38,038	180,720	223,889	674,866	2,401,807
Depreciation						
At 1 October 2016	51,372	38,038	170,509	138,508	406,663	805,090
Charge for the year on owned assets	25,686	-	12,397	21,705	55,967	115,755
Disposals	-	-	(5,476)	-	(4,799)	(10,275)
At 30 September 2017	77,058	38,038	177,430	160,213	457,831	910,570
Net book value						
At 30 September 2017	1,207,236	-	3,290	63,676	217,035	1,491,237
At 30 September 2016	1,232,922	-	24,046	68,099	95,342	1,420,409

The freehold land and building at Eton, were professionally re-valued during March 2015 on an existing use basis at £1.285m. The Directors consider that the current value of the property at 1 October 2014 is in line with the 2015 valuation. This valuation will now be treated as deemed cost, and there will be no further revaluations.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £	2016 £
Cost	1,074,872	1,074,872
Accumulated depreciation	(394,388)	(380,891)
Net book value	680,484	693,981

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

12. Fixed asset investments

	Investments in associates £
Cost or valuation	
At 1 October 2016	-
Additions	221,868
At 30 September 2017	<u>221,868</u>
Net book value	
At 30 September 2017	<u>221,868</u>
At 30 September 2016	<u>-</u>

Participating interests

During the year Eton Travel Agency Limited acquired 30% of the 1,000 shares in Ball Associates Limited for an expected amount of £210,000. The final consideration is dependent upon results, and will go up or down depending on the profitability of Ball Associates Limited over the next 2 years. £35,000 was paid during the year, and the remaining estimated amount of £175,000 is payable over the next 2 years.

Ball Associates Limited is incorporated and domiciled in the UK, the address of the registered office is Highlands House, 165 The Broadway, Wimbledon, London, SW19 1NE. The loss for the year to 31 March 2017 for Ball Associates Limited is £293,764, after taking into account an exceptional provision of £605,407, with reserves at the end of the year totalling £100,432.

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

13. Debtors

	2017 £	2016 £
Trade debtors	1,928,669	2,193,996
Other debtors	197,103	181,957
Prepayments and accrued income	66,928	61,534
	<u>2,192,700</u>	<u>2,437,487</u>

14. Current asset investments

	2017 £	2016 £
Unlisted investments	2,625	2,625
	<u>2,625</u>	<u>2,625</u>

15. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,398,582	1,018,578
	<u>1,398,582</u>	<u>1,018,578</u>

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

16. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	2,365,165	2,388,643
Amounts owed to group undertakings	82,214	74,969
Corporation tax	39,041	64,803
Other taxation and social security	63,006	65,187
Obligations under finance lease and hire purchase contracts	-	937
Other creditors	320,448	124,897
	<u>2,869,874</u>	<u>2,719,436</u>

The company has an overdraft facility in place with their bank, which has not been utilised during the year. The overdraft is secured by way of a fixed and floating charge over all of the assets of the group.

17. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other creditors	105,000	-
	<u>105,000</u>	<u>-</u>

ETON TRAVEL AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

18. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	2,625	2,625
Financial assets that are debt instruments measured at amortised cost	3,734,354	3,394,531
	<u>3,736,979</u>	<u>3,397,156</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(2,615,528)	(2,588,509)
	<u>(2,615,528)</u>	<u>(2,588,509)</u>

Financial assets measured at fair value through profit or loss comprise current asset investments.

Financial assets that are debt instruments measured at amortised cost comprise fixed asset investments, trade debtors, other debtors, cash at bank and intercompany loans.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

19. Deferred taxation

	2017 £
At beginning of year	(4,500)
Charged to profit or loss	(22,460)
At end of year	<u>(26,960)</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(26,960)	(4,500)
	<u>(26,960)</u>	<u>(4,500)</u>

ETON TRAVEL AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

20. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
198,000 Ordinary shares of £1 each	198,000	198,000

21. Pension commitments

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 £36,451 (2016: £34,918).

Contributions totalling £7,275 (2016: £6,630) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 30 September 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	47,000	47,000
Later than 1 year and not later than 5 years	188,000	188,000
Later than 5 years	152,750	188,000
	387,750	423,000

	2017 £	2016 £
Not later than 1 year	-	3,964
	-	3,964

23. Related party transactions

During the year the company provided services to Ball Associates Limited, of which Mr K Thompson is also a Director, totalling £56,090 (2016: £nil). The outstanding amount at the year end was £946 (2016: £nil) which is included within trade debtors.

ETON TRAVEL AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

24. Controlling party

Eton Travel Holdings Limited is regarded as the Ultimate parent undertaking, a company incorporated in England and Wales.

Transactions with Eton Travel Holdings Limited have not been disclosed by virtue of the fact that Eton Travel Agency Limited as a wholly owned subsidiary, and the company's results are consolidated with the group accounts produced by the parent.