

Registered number: 01732607

ETON TRAVEL AGENCY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018



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 U.K. LLP Aquis House 49 - 51 Blagrove Street Reading Berkshire RG1 1PL

ETON TRAVEL AGENCY LIMITED

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ETON TRAVEL AGENCY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

Introduction

The directors present their strategic report for the year ended 30 September 2018.

Business review

Trading for the year ended 30th September 2018 has slowed down slightly, with our gross sales down by £3.4m or 7.96% to £39.3m (2017: £42.7m). We have achieved a net profit after tax of £17,904 (2017: £232,229).

Gross sales for the first quarter of our new financial year is down by £733k or 7.27% to £9.4m as against £10.1m the previous year, therefore, the reduction in our turnover from our last financial year has continued, this is mainly due to the loss of a major account in December 2017. New business in excess of £2m has been won during the year for our corporate travel division and a further £2m has been won and due to commence trading in April of this 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 earnings, thus increasing profitability throughout the business. We have in January this year officially launched Data Sense, our new reporting tool, which will bring in additional earnings and hopefully, new business and we have introduced new Transaction Fees to cover services that we are now carrying out for our corporate clients, but were not charging for them and have reintroduced charging out our credit card merchant fees, when we take payment from our corporate clients in our own right.

During the year we have experience challenges and additional costs with the introduction in November 2017, of Insight, our new mid-office system and Sage, our new accounting system, however, all of these issues have now been resolved and we are seeing the benefits and improvements in our Corporate Travel Division and Accounts Department. We have also incurred additional professional and legal fees, associated with meeting our GDPR and PCI compliance responsibilities, these requirements are still ongoing, but the costs this year will be considerably less.

Now that DATA SENSE, our new reporting tool has been launched, 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, should there be a terrorist attack or natural disaster and thereby assist them in their 'duty of care' provision, which is now expected of all employers.

ETON TRAVEL AGENCY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

Principal risks and uncertainties

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

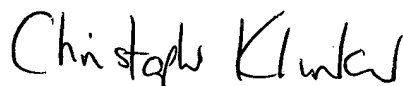
- 1) A failure of our IT infrastructure, as it is critical that we have access to our data bases continually – this risk is mitigated by the fact that we are on the cloud. The cloud allows instant disaster recovery as we can access information from anywhere via the internet. The cloud also incorporates 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 down by £3.4m to £39.3m (2017: £42.7m)
- Operating loss of £5,803 (2017: profit of £290,889)
- Net cash outflow from operating activities was £194,761 (2017: Inflow of £695,985)
- Closing positive cash balance of £1,132,795 (2017: £1,398,582)
- Capital expenditure in the year of £10,902 (2017: £194,942)

This report was approved by the board and signed on its behalf.



C K Klinker
Director

Date: 1/2/19

ETON TRAVEL AGENCY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors present their report and the financial statements for the year ended 30 September 2018.

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 £17,904 (2017 - £232,229).

During the year the directors proposed a dividend of £Nil (2017: £82,214) 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 2018

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 U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



C K Klinker
Director

Date:

1/2/19

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 (the 'Company') for the year ended 30 September 2018, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2018 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 Auditor's 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.

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.

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 other 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

ETON TRAVEL AGENCY LIMITED

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

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 or 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.

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.

ETON TRAVEL AGENCY LIMITED

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

Auditor's 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. This description forms part of our Auditor's report.

Use of our report

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.



Richard Baker (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

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

Date: 7 FEBRUARY 2019

ETON TRAVEL AGENCY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 £	2017 £
GROSS SALES		39,253,250	42,664,211
Turnover	4	5,230,207	5,596,015
Cost of sales		(1,343,715)	(1,380,188)
Gross profit		3,886,492	4,215,827
Distribution costs		(53,856)	(73,876)
Administrative expenses		(3,838,439)	(3,851,062)
Operating (loss)/profit	5	(5,803)	290,889
Income from fixed assets investments		24,911	925
Interest receivable and similar income		530	1,646
Interest payable and expenses		(991)	(76)
Profit before tax		18,647	293,384
Tax on profit	9	(743)	(61,155)
Profit for the financial year		17,904	232,229

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 13 to 28 form part of these financial statements.

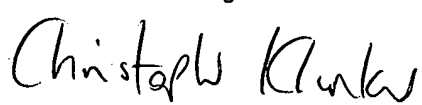
ETON TRAVEL AGENCY LIMITED
REGISTERED NUMBER: 01732607

BALANCE SHEET
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	11	105,037	-
Tangible assets	12	1,305,256	1,491,237
Investments	13	221,868	221,868
		<u>1,632,161</u>	<u>1,713,105</u>
Current assets			
Debtors: amounts falling due within one year	14	2,396,569	2,192,700
Current asset investments	15	2,625	2,625
Cash at bank and in hand	16	1,132,795	1,398,582
		<u>3,531,989</u>	<u>3,593,907</u>
Creditors: amounts falling due within one year	17	(2,767,019)	(2,869,874)
Net current assets		<u>764,970</u>	<u>724,033</u>
Total assets less current liabilities		<u>2,397,131</u>	<u>2,437,138</u>
Creditors: amounts falling due after more than one year	18	(52,849)	(105,000)
Provisions for liabilities			
Deferred tax	20	(21,200)	(26,960)
		<u>(21,200)</u>	<u>(26,960)</u>
Net assets		<u>2,323,082</u>	<u>2,305,178</u>
Capital and reserves			
Called up share capital	21	198,000	198,000
Revaluation reserve		532,061	544,250
Profit and loss account		1,593,021	1,562,928
		<u>2,323,082</u>	<u>2,305,178</u>

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


K J Thompson
 Director
 Date: 1st February 2019


C K Klinker
 Director
 Date: 1st February 2019

The notes on pages 13 to 28 form part of these financial statements.

ETON TRAVEL AGENCY LIMITED
REGISTERED NUMBER: 01732607

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
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
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 1 October 2017	198,000	544,250	1,562,928	2,305,178
Comprehensive income for the year				
Profit for the year	-	-	17,904	17,904
Total comprehensive income for the year	-	-	17,904	17,904
Contributions by and distributions to owners				
Transfer to/from profit and loss account	-	(12,189)	12,189	-
Total transactions with owners	-	(12,189)	12,189	-
At 30 September 2018	198,000	532,061	1,593,021	2,323,082

The notes on pages 13 to 28 form part of these financial statements.

ETON TRAVEL AGENCY LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	17,904	232,229
Adjustments for:		
Amortisation of intangible assets	20,592	-
Depreciation of tangible assets	94,705	115,755
Loss on disposal of tangible assets	8,972	1,859
Interest paid	991	76
Interest and dividends received	(25,441)	(2,571)
Taxation charge	743	22,461
(Increase)/decrease in debtors	(203,869)	244,786
(Increase)/decrease in amounts owed to group undertakings	(82,214)	7,260
Increase in creditors	10,238	99,892
Corporation tax (paid)	(37,382)	(25,762)
Net cash (used in) / generated from operating activities	(194,761)	695,985
Cash flows from investing activities		
Purchase of intangible fixed assets	(40,087)	-
Purchase of tangible fixed assets	(10,902)	(194,942)
Sale of tangible fixed assets	7,664	6,500
Purchase of share in associates	(52,151)	(46,868)
Interest received	530	1,646
HP interest paid	-	(71)
Income from investments	24,911	925
Net cash from investing activities	(70,035)	(232,810)

ETON TRAVEL AGENCY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018 £	2017 £
Cash flows from financing activities		
Repayment of/new finance leases	-	(937)
Dividends paid	-	(82,229)
Interest paid	(991)	(5)
Net cash used in financing activities	(991)	(83,171)
Net (decrease)/increase in cash and cash equivalents	(265,787)	380,004
Cash and cash equivalents at beginning of year	1,398,582	1,018,578
Cash and cash equivalents at the end of year	1,132,795	1,398,582
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,132,795	1,398,582
	1,132,795	1,398,582

The notes on pages 13 to 28 form part of these financial statements.

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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 (registration 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 2019. 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 2018

2. Accounting policies (continued)

2.4 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.

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Interest income

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

2.7 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.

2.8 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.

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.9 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.

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software development	-	5	years
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2.11 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.

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

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.

2.12 Investment in associates

Associates are held at cost less impairment.

2.13 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.

2.14 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.

2.15 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.

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.16 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.

2.17 Financial instruments

The Company only enters into basic financial instrument 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.

2.18 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.

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 payable, 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 2018**

4. Turnover

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

	2018 £	2017 £
Sales	3,692,827	3,781,776
Transaction fees	1,537,380	1,814,239
	<u>5,230,207</u>	<u>5,596,015</u>

All turnover arose within the United Kingdom.

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	94,705	115,755
Amortisation of intangible assets, including goodwill	20,592	-
Other operating lease rentals	52,911	51,161
Defined contribution pension cost	30,206	36,451
	<u>198,414</u>	<u>203,367</u>

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	18,400	17,870
Fees payable to the Company's auditor and its associates in respect of:		
All other services	12,800	12,160
	<u>12,800</u>	<u>12,160</u>

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

7. Employees

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

	2018 £	2017 £
Wages and salaries	2,359,416	2,476,127
Social security costs	214,940	218,364
Cost of defined contribution scheme	30,206	36,451
	<u>2,604,562</u>	<u>2,730,942</u>

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

	2018 No.	2017 No.
Directors	3	3
Administration	17	15
Travel operatives	58	63
Drivers and cleaners	2	2
	<u>80</u>	<u>83</u>

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	223,615	212,492
Company contributions to defined contribution pension schemes	5,139	5,661
	<u>228,754</u>	<u>218,153</u>

During the year retirement benefits were accruing to 3 directors (2017: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £90,266 (2017: £84,503).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,363 (2017: £2,012).

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 2018

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	8,162	39,041
Adjustments in respect of previous periods	(1,659)	(346)
	<u>6,503</u>	<u>38,695</u>
Total current tax	<u>6,503</u>	<u>38,695</u>
Deferred tax		
Origination and reversal of timing differences	(5,760)	22,460
Total deferred tax	<u>(5,760)</u>	<u>22,460</u>
Taxation on profit on ordinary activities	<u>743</u>	<u>61,155</u>

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.5%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	18,647	293,384
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.5%)	3,543	57,210
Effects of:		
Fixed asset differences	5,181	5,317
Expenses not deductible for tax purposes	(8,213)	2,371
Adjustments to tax charge in respect of prior periods	(1,659)	(346)
Non-taxable income	-	(180)
Deferred tax not previously recognised	1,891	(3,217)
Total tax charge for the year	743	61,155

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

10. Dividends

	2018 £	2017 £
Dividends paid during the year	-	82,214
	<u>-</u>	<u>82,214</u>

11. Intangible assets

	Software development £
Cost	
Additions	40,087
Reclassified from office equipment	88,450
At 30 September 2018	<u>128,537</u>
Amortisation	
Charge for the year	20,592
Reclassified from office equipment	2,908
At 30 September 2018	<u>23,500</u>
Net book value	
At 30 September 2018	<u>105,037</u>
At 30 September 2017	<u></u>

ETON TRAVEL AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

12. Tangible fixed assets

	Freehold property £	S/Term Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation						
At 1 October 2017	1,284,294	38,038	180,720	223,889	674,866	2,401,807
Additions	-	-	-	-	10,902	10,902
Disposals	-	-	(41,545)	-	(17,210)	(58,755)
Transfers between classes	-	-	-	-	(88,450)	(88,450)
At 30 September 2018	1,284,294	38,038	139,175	223,889	580,108	2,265,504
Depreciation						
At 1 October 2017	77,058	38,038	177,430	160,213	457,831	910,570
Charge for the year on owned assets	25,686	-	2,193	21,850	44,976	94,705
Disposals	-	-	(41,545)	-	(574)	(42,119)
Transfers between classes	-	-	-	-	(2,908)	(2,908)
At 30 September 2018	102,744	38,038	138,078	182,063	499,325	960,248
Net book value						
At 30 September 2018	1,181,550	-	1,097	41,826	80,783	1,305,256
At 30 September 2017	1,207,236	-	3,290	63,676	217,035	1,491,237

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 is treated as deemed cost under FRS 102, and there will be no further revaluations.

ETON TRAVEL AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

12. Tangible fixed assets (continued)

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

	2018 £	2017 £
Cost	1,074,872	1,074,872
Accumulated depreciation	(407,885)	(394,388)
Net book value	666,987	680,484

13. Fixed asset investments

	Investments in associates £
Cost or valuation	
At 1 October 2017	221,868
At 30 September 2018	221,868
Net book value	
At 30 September 2018	221,868
At 30 September 2017	221,868

Participating interests

In the financial year ended September 2017, 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 the next 2 years. £57,151 was paid up to end of September 2018, and the remaining estimated amount of £122,849 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 Company made a profit after tax of £180,520 for the year to 31 March 2018, with reserves at the end of the year totalling £210,800.

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

14. Debtors

	2018 £	2017 £
Trade debtors	2,092,328	1,928,670
Other debtors	240,250	197,103
Prepayments	63,991	66,928
	<u>2,396,569</u>	<u>2,192,701</u>

15. Current asset investments

	2018 £	2017 £
Unlisted investments	2,625	2,625
	<u>2,625</u>	<u>2,625</u>

16. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	1,132,795	1,398,582
	<u>1,132,795</u>	<u>1,398,582</u>

ETON TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	2,333,176	2,365,165
Amounts owed to group undertakings	-	82,214
Corporation tax	8,162	39,041
Other taxation and social security	76,681	63,006
Other creditors	206,500	320,448
Deferred income	142,500	-
	<u>2,767,019</u>	<u>2,869,874</u>

The company has an overdraft facility in place with their bank. The overdraft is secured by way of a fixed and floating charge over all of the assets of the group.

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

	2018 £	2017 £
Other creditors	52,849	105,000
	<u>52,849</u>	<u>105,000</u>

ETON TRAVEL AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

19. Financial instruments

	2018 £	2017 £
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	3,451,012	3,524,355
Financial assets that are equity instruments measured at cost less impairment	-	-
	<u>3,453,637</u>	<u>3,526,980</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(2,592,525)</u>	<u>(2,872,827)</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.

20. Deferred taxation

	2018 £
At beginning of year	(26,960)
Charged to profit or loss	5,760
At end of year	<u>(21,200)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(21,200)	(26,960)
	<u>(21,200)</u>	<u>(26,960)</u>

ETON TRAVEL AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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21. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
198,000 (2017 - 198,000) Ordinary shares of £1.00 each	<u>198,000</u>	<u>198,000</u>

22. 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 £30,206 (2017: £36,451).

Contributions totalling £9,833 (2017: £7,275) were payable to the fund at the balance sheet date and are included in creditors.

23. Commitments under operating leases

At 30 September 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	54,822	51,000
Later than 1 year and not later than 5 years	209,734	204,000
Later than 5 years	114,750	165,750
	<u>379,306</u>	<u>420,750</u>

24. Related party transactions

During the year the company provided services to Ball Associates Limited, of which Mr K Thompson is also a Director, totalling £99,289 (2017: £56,090). The outstanding amount at the year end was £3,443 (2017: £946) which is included within trade debtors.

25. 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 is a wholly owned subsidiary, and the company's results are consolidated with the group accounts produced by the parent.