

REGISTRAR

Grant Thornton 

Company Number 2151959

COBHAM TRAVEL SERVICE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1994



COBHAM TRAVEL SERVICE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994

Company Registration Number: 2151959

Registered Office: South Street
Gosport
Hampshire
PO12 1EP

Directors: M R Wright, ARICS
D R Smith, FCIS
D P Saville, B Com (Hons), B Sc (Hons), ACA
C J Solen, FNAEA M Land Inst
M G Flarry, F Inst TT (General Manager)

Alternate Director: A H Edwards, MBA

Secretary: D R Smith, FCIS

Solicitors: Churchers
28 High Street
Gosport
Hampshire
PO12 1DQ

Auditors: Grant Thornton
Chartered Accountants
Enterprise House
Isambard Brunel Road
Portsmouth
Hampshire
PO1 2RZ

COBHAM TRAVEL SERVICE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994

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COBHAM TRAVEL SERVICE LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31 December 1994.

Principal activity

During the year the company continued its principal activity of operating a travel agency from its premises in Cobham, Surrey.

General review

Trading conditions improved generally during 1994, but competition remains strong in the company's market sector. Efforts to maintain and improve the company's position will continue.

Results and dividends

The profit for the year after taxation was £14,713 (1993: £8,894 loss). The directors recommend that a dividend of £10,000 be paid and that the remaining profit of £4,713 be transferred to reserves.

Directors

I D Shaw, M H Bougourd and J E Powell resigned on 8 July 1994.

The directors in office at the end of the year are listed below. No director had beneficial interests in any shares in the company.

M R Wright	
D R Smith	
D P Saville	
C J Solen	- appointed 15 July 1994
A H Edwards	- appointed 26 October 1994
M G Flarry	- appointed 21 December 1994

No director had a material interest in any contract with the company during the year.

The interests of the directors in the shares of the holding company, The Portsmouth Harbour Ferry Company Public Limited Company, are shown in that company's accounts.

COBHAM TRAVEL SERVICE LIMITED

REPORT OF THE DIRECTORS

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which 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 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 presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Fixed assets

There were no significant movements in fixed assets during the year.

Auditors

Grant Thornton offer themselves for re-appointment as auditors of the company in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



D R Smith
Secretary

24 February 1995

REPORT OF THE AUDITORS TO THE MEMBERS OF

COBHAM TRAVEL SERVICE LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

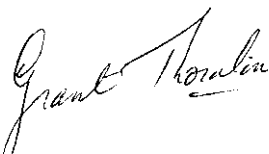
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
PORTSMOUTH

24 FEBRUARY 1995

COBHAM TRAVEL SERVICE LIMITED

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 1994

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention.

The principal accounting policies of the company are set out below.

Turnover

Turnover is the total amount receivable by the company in the ordinary course of business for services provided.

Depreciation

Depreciation is calculated to write down the cost of tangible fixed assets by equal annual instalments over their expected useful lives.

The periods generally applicable are :

Leasehold premises	10 years
Office equipment	Periods of between 5 and 10 years

Goodwill

Goodwill represents the value of the business over and above the value of tangible fixed assets at the time of its purchase by the company. The amount has been amortised over a period of 6 years.

Deferred taxation

Deferred taxation represents the taxation attributable to timing differences between profits computed for taxation purposes and profits as stated in the financial statements.

Transfers to and from deferred taxation are calculated at the rate of corporation tax in force at the end of the period in which the transfers are made, adjusting for any changes in rate as compared to the preceding period.

Operating leases

Payments under operating leases are charged to the Profit and Loss Account as they accrue.

Pension scheme

Pension costs charged against profits are based on an actuarial method and actuarial assumptions designed to provide the anticipated pension costs over the service lives of the employees in the scheme, in a way that seeks to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll in the light of current actuarial assumptions. Variations from regular cost are spread over the remaining service lives of current employees in the scheme.

COBHAM TRAVEL SERVICE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1994

	Note	1994 £	1993 £
Turnover		1,629,216	1,526,474
Cost of sales		<u>1,457,013</u>	<u>1,374,676</u>
Gross profit		172,203	151,798
Administrative expenses		<u>170,106</u>	<u>168,630</u>
		2,097	(16,832)
Other operating income		<u>12,616</u>	<u>7,938</u>
Profit/(Loss) on ordinary activities before taxation	1	14,713	(8,894)
Taxation	3	<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities after taxation		14,713	(8,894)
Dividend		<u>10,000</u>	<u>-</u>
Retained profit/(loss) for the year		4,713 =====	(8,894) =====
Retained (losses)/profits brought forward		(8,057) =====	837 =====
Retained (losses) carried forward		(3,344) =====	(8,057) =====

There are no recognised gains or losses other than the profit/(loss) for the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

COBHAM TRAVEL SERVICE LIMITED

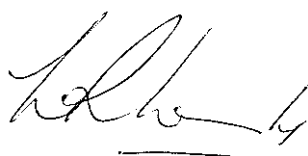
BALANCE SHEET AS AT 31 DECEMBER 1994

	Note	1994 £	1993 £
Fixed Assets			
Intangible assets	4	-	8,000
Tangible assets	5	<u>17,005</u>	<u>17,083</u>
		17,005	25,083
Current assets			
Debtors	6	143,881	84,010
Cash at bank and in hand		<u>184</u>	<u>7,559</u>
		144,065	91,569
Creditors: amounts falling due within one year	7	<u>44,260</u>	<u>24,555</u>
Net current assets		<u>99,805</u>	<u>67,014</u>
Total assets less current liabilities		116,810	92,097
Deferred taxation	8	<u>154</u>	<u>154</u>
		<u>116,656</u>	<u>91,943</u>
		=====	=====
Capital and Reserves			
Called up share capital	9	120,000	100,000
Profit and loss account		<u>(3,344)</u>	<u>(8,057)</u>
Shareholders funds	15	<u>116,656</u>	<u>91,943</u>
		=====	=====

The financial statements were approved by the Board of Directors on 24 February 1995.

M R Wright

Director



The accompanying accounting policies and notes form an integral part of these financial statements.

COBHAM TRAVEL SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994

1 Profit/(loss) on ordinary activities before taxation

The profit/(loss) on ordinary activities is arrived at after charging:

	1994 £	1993 £
Depreciation - owned fixed assets	3,916	4,029
- goodwill	8,000	10,000
Auditors remuneration	600	540
Auditors - non audit work	265	260
Operating leases - premises	22,500	23,375
	=====	=====

2 Directors and employees

Staff costs consist of the following:

	1994 £	1993 £
Salaries	69,191	69,277
Social security	5,157	5,426
Pension and superannuation scheme	<u>3,296</u>	<u>3,021</u>
	77,644	77,724
	=====	=====

The remuneration of the directors was as follows :

Management remuneration	<u>548</u>	<u>-</u>
The average number of employees in the year was	7	7
	=====	=====

3 Taxation

No taxation charge arises on the profit for the year (1993: Nil), due to the availability of group relief.

COBHAM TRAVEL SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

4 Intangible assets

	Goodwill
	£
Cost	
At 1 January 1994 and 31 December 1994	<u>58,824</u>
Amounts written off	
At 1 January 1994	50,824
Charge for the year	<u>8,000</u>
At 31 December 1994	<u>58,824</u>
Net book amount at 31 December 1994	-
	=====
Net book amount at 31 December 1993	8,000
	=====

5 Tangible fixed assets

	Total	Leasehold	Office
	£	premises	furniture
		£	and
			fittings
			£
Cost or valuation at 1 January 1994	40,505	30,000	10,505
Additions at cost	<u>3,838</u>	-	<u>3,838</u>
At 31 December 1994	<u>44,343</u>	<u>30,000</u>	<u>14,343</u>
Depreciation			
At 1 January 1994	23,422	15,750	7,672
Provided in year	<u>3,916</u>	<u>3,000</u>	<u>916</u>
At 31 December 1994	<u>27,338</u>	<u>18,750</u>	<u>8,588</u>
Net book value			
At 31 December 1994	<u>17,005</u>	<u>11,250</u>	<u>5,755</u>
	=====	=====	=====
At 31 December 1993	17,083	14,250	2,833
	=====	=====	=====

COBHAM TRAVEL SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

6 Debtors

	1994	1993
	£	£
Amounts falling due within one year:		
Trade debtors	19,541	10,707
Amounts due from group undertakings	115,467	64,834
Other debtors	1,074	1,598
Prepayments	<u>7,799</u>	<u>6,871</u>
	143,881	84,010
	=====	=====

7 Creditors: amounts falling due within one year

	1994	1993
	£	£
Trade creditors	26,115	19,827
Accruals	8,606	4,728
Bank overdraft	<u>9,539</u>	<u>-</u>
	44,260	24,555
	=====	=====

There are no creditors falling due after one year.

8 Deferred taxation

	Deferred taxation £
At 1 January 1994	154
Charge/(credit) for the year	<u>-</u>
At 31 December 1994	154
	===

Full provision has been made for deferred taxation. Provision has been made of 25%. The amounts provided are set out below:

	1994	1993
	£	£
Accelerated capital allowances	154	154
	===	===

9 Called up share capital

	1994	1993
	£	£
Authorised, allotted, issued and fully paid 120,000 (1993: 100,000) ordinary shares of £1 each	120,000	100,000
	=====	=====

During the year £20,000 of shares were issued to meet increased working capital requirements.

COBHAM TRAVEL SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

10 Capital commitments

The company has no capital commitments at 31 December 1994

11 Contingent liabilities

The company had a contingent liability at 31 December 1994 in respect of a bond of £23,258 (1993: £25,000) provided by Barclays Bank plc to meet the requirements of ABTA.

12 Leasing commitments

Leasing commitments amount to £22,500 per annum for the rental of premises.

The commitment expires in more than five years.

13 Pension Scheme

The company operates a defined benefit pension scheme through its ultimate parent undertaking. The scheme is funded as stated in the accounting policies and was valued by an independent actuary as at 31 July 1994. The cost charged in the Profit and Loss account for the year amounted to £3,296 (1993 £3,021) and no further provision is considered necessary. Full details of the actuarial valuation of the scheme are given in the financial statements of the ultimate parent undertaking.

14 Ultimate parent undertaking

The ultimate parent undertaking is The Portsmouth Harbour Ferry Company Public Limited Company, a company incorporated in England which owns all of the issued capital. Group accounts are available for inspection at the company's Registered Office.

15 Reconciliation of movements in shareholders' funds

	1994 £	1993 £
Issue of 20,000 fully paid shares of £1	20,000	-
Profit/(loss) for the financial year	14,713	(8,894)
Dividend	(10,000)	-
Net increase/(decrease) in shareholders' funds	24,713	(8,894)
Shareholders' funds at 1 January 1994	91,943	100,837
Shareholders' funds at 31 December 1994	116,656 =====	91,943 =====

COBHAM TRAVEL SERVICE LIMITED

TRADING ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1994

	1994	1993
	£	£
Turnover		
Tours	927,349	872,352
Air tickets	470,094	465,648
Rail and ferry tickets	91,760	100,061
Flight only charter	87,545	44,297
Coaches	13,060	10,437
Theatres	991	997
Holiday insurance	28,696	23,843
Car rental	<u>9,721</u>	<u>8,839</u>
	<u>1,629,216</u>	<u>1,526,474</u>
Cost of sales		
Tours	834,309	776,612
Air tickets	430,014	427,898
Rail and ferry tickets	79,481	88,619
Flight only charter	78,414	51,473
Coaches	10,193	8,848
Theatres	745	1,378
Holiday insurance	15,194	11,569
Car rental	<u>8,663</u>	<u>8,279</u>
	<u>1,457,013</u>	<u>1,374,676</u>
	172,203	151,798
Additional discounts	<u>4,865</u>	<u>-</u>
Gross Profit	<u>177,068</u>	<u>151,798</u>
	=====	=====

THIS PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS.