

Company Registration No 517049 (England and Wales)

**E & M E GILL LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2009**



# **E & M E GILL LIMITED**

## **COMPANY INFORMATION**

---

<b>Directors</b>	A P Gill S Philippou M A Harris
<b>Secretary</b>	S Philippou
<b>Company number</b>	517049
<b>Registered office</b>	5-7 John Prince's Street London W1G 0JN
<b>Auditors</b>	Elman Wall Limited 5 - 7 John Prince's Street London W1G 0JN

---

# **E & M E GILL LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the financial statements	9 - 18

---

# **E & M E GILL LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2009**

---

The directors present their report and financial statements for the year ended 30 September 2009

#### **Principal activities and review of the business**

The principal activity of the company continued to be that of travel agents and world travel consultants specialising in selling cruise holidays

This year the company has seen a phenomenal year on year increase in both client bookings (up 88%) and revenue up (100%), exceeding the sector average of approximately 14%. Gross profit margin has increased and the Directors have continued, throughout much of the current trading year a thorough review of the business and implemented many new facets to the front line and after sales operations in preparation for the sustainable growth anticipated in the coming year. A significant investment has been made in developing in house training modules and personal development plans, computer technology, staff and management infrastructure.

The company's web site is continually updated and improved and there continues to be substantial growth in new client registrations. The Directors have resisted the temptation to facilitate an on line booking service as the product sold remains a quality item and we believe our clients need to communicate directly with our experienced sales personnel to ensure the correct choice is made to maximise enjoyment.

Gills have continued to use its proven classified advertising campaigns to promote the Gills brand which is now over 53 years old and has become synonymous with the 4 to 6 star product we sell. Other channels to market have been implemented with a view to expand the Gills brand further.

An ongoing systematic and planned programme of selective recruitment has assembled a significantly experienced sales team in our London offices who are well placed to offer exceptional advice to new and seasoned cruisers.

Whilst the economic environment is expected to remain extremely tough the Directors' expectations are that demand for cruises is expected to be resilient, given passenger demographics biased towards retirees and higher income groups.

Prices of cruises have fallen by some 10-12% and represent exceptional value for money compared to other land based holidays, this being a key message to the market place for 2010. The Directors also believe that whilst new travellers may well look to trade down to lower priced cruises our exceptional relationships with all of the major cruise line providers we are well placed to attain further significant growth and profitability in 2010 and beyond.

#### **Results and dividends**

The results for the year are set out on page 5.

#### **Directors**

The following directors have held office since 1 October 2008:

A P Gill  
S Philippou  
M A Harris

#### **Auditors**

The auditors, Elman Wall Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

# **E & M E GILL LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

---

### **Statement of directors' responsibilities**

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently,
- make judgements 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 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.

### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



A P Gill

Director

*16 MARCH 2010*

# **E & M E GILL LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF E & M E GILL LIMITED**

---

We have audited the financial statements of E & M E GILL LIMITED for the year ended 30 September 2009 set out on pages 5 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2009 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **E & M E GILL LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF E & M E GILL LIMITED**

---

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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

*Elman Wall Limited*

**Yasin Khandwalla (Senior Statutory Auditor)  
for and on behalf of Elman Wall Limited**

*25/3/10*

**Chartered Accountants  
Statutory Auditor**

5 - 7 John Prince's Street  
London  
W1G 0JN

# **E & M E GILL LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

	Notes	2009 £	2008 £
Turnover	2	8,924,433	4,110,374
Administrative expenses		(8,608,548)	(3,923,917)
Other operating income		33,583	7,583
<b>Operating profit</b>	<b>3</b>	<b>349,468</b>	<b>194,040</b>
Other interest receivable and similar income	4	10,866	84,216
Interest payable and similar charges	5	(10,249)	(12,821)
<b>Profit on ordinary activities before taxation</b>		<b>350,085</b>	<b>265,435</b>
Tax on profit on ordinary activities	6	(107,277)	(55,040)
<b>Profit for the year</b>	<b>16</b>	<b>242,808</b>	<b>210,395</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



**AS AT 30 SEPTEMBER 2009**

- 6 -

# E & M E GILL LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	£	2009 £	£	2008 £
<b>Net cash inflow/(outflow) from operating activities</b>		3,007,686		(228,190)
<b>Returns on investments and servicing of finance</b>				
Interest received	10,866		84,216	
Interest paid	(10,249)		(12,821)	
<b>Net cash inflow for returns on investments and servicing of finance</b>		617		71,395
<b>Taxation</b>		(74,644)		(143,076)
<b>Capital expenditure</b>				
Payments to acquire intangible assets	(4,145)		-	
Payments to acquire tangible assets	(211,668)		(159,086)	
Receipts from sales of tangible assets	63,269		-	
<b>Net cash outflow for capital expenditure</b>		(152,544)		(159,086)
<b>Equity dividends paid</b>		(100,000)		(190,000)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		2,681,115		(648,957)
<b>Financing</b>				
New long term bank loan	65,000		-	
Capital element of hire purchase contracts	-		56,762	
<b>Net cash inflow from financing</b>		65,000		56,762
<b>Increase/(decrease) in cash in the year</b>		2,746,115		(592,195)

# E & M E GILL LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2009	2008
		£	£
	Operating profit	349,468	194,040
	Depreciation of tangible assets	41,489	59,990
	Amortisation of intangible assets	995	580
	Loss on disposal of tangible assets	8,707	-
	Increase in debtors	(13,066,991)	(3,820,176)
	Increase in creditors within one year	15,674,018	3,337,376
	Net cash inflow/(outflow) from operating activities	3,007,686	(228,190)

2	Analysis of net funds	1 October 2008	Cash flow	Other non-cash changes	30 September 2009
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,985,064	2,746,115	-	4,731,179
	Debt				
	Finance leases	(69,490)	40,716	-	(28,774)
	Debts falling due after one year	(75,000)	(65,000)	-	(140,000)
		(144,490)	(24,284)	-	(168,774)
	Net funds	1,840,574	2,721,831	-	4,562,405

3	Reconciliation of net cash flow to movement in net funds	2009	2008
		£	£
	Increase/(decrease) in cash in the year	2,746,115	(592,195)
	Cash inflow from increase in debt and lease financing	(24,284)	(62,566)
	Movement in net funds in the year	2,721,831	(654,761)
	Opening net funds	1,840,574	2,495,335
	Closing net funds	4,562,405	1,840,574

# **E & M E GILL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009**

---

### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### **1.3 Turnover**

Turnover represents net commission income earned at the date of booking by the customer less provision for cancellations

#### **1.4 Patents**

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives

#### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Leasehold property and improvements	over period of the lease
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

#### **1.6 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

#### **1.7 Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

#### **1.8 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

#### **1.9 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

# E & M E GILL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

### 1 Accounting policies (continued)

#### 1.10 Advance bookings

All amounts receivable and corresponding cost of sales payable relating to holidays with departures after the year end are disclosed under trade debtors and trade creditors

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit	2009 £	2008 £
Operating profit is stated after charging		
Amortisation of intangible assets	995	580
Depreciation of tangible assets	41,489	59,990
Loss on disposal of tangible assets	8,707	-
Operating lease rentals		
- Plant and machinery	65,889	17,765
- Other assets	359,986	41,520
Auditors' remuneration (including expenses and benefits in kind)	22,000	13,273
and after crediting		
Profit on foreign exchange transactions	-	(113)

4 Investment income	2009 £	2008 £
Bank interest	10,866	84,216
	<u>10,866</u>	<u>84,216</u>

5 Interest payable	2009 £	2008 £
On bank loans and overdrafts	5,052	5,682
Hire purchase interest	5,197	7,139
	<u>10,249</u>	<u>12,821</u>

# E & M E GILL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

6	Taxation	2009 £	2008 £
	<b>Domestic current year tax</b>		
	U K corporation tax	70,000	55,040
	Adjustment for prior years	19,644	-
	<b>Current tax charge</b>	89,644	55,040
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	17,633	-
		<u>107,277</u>	<u>55,040</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>350,085</u>	<u>265,435</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 21.80%)	<u>98,024</u>	<u>57,865</u>
	Effects of		
	Non deductible expenses	10,128	15,581
	Depreciation add back	20,477	13,204
	Capital allowances	(28,205)	(12,044)
	Other tax adjustments	(10,780)	(19,566)
		<u>(8,380)</u>	<u>(2,825)</u>
	<b>Current tax charge</b>	<u>89,644</u>	<u>55,040</u>
7	<b>Dividends</b>	2009 £	2008 £
	Ordinary interim paid	<u>100,000</u>	<u>190,000</u>

# E & M E GILL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

### 8 Intangible fixed assets

	Patents £
<b>Cost</b>	
At 1 October 2008	5,804
Additions	4,145
	<hr/>
At 30 September 2009	9,949
	<hr/>
<b>Amortisation</b>	
At 1 October 2008	580
Charge for the year	995
	<hr/>
At 30 September 2009	1,575
	<hr/>
<b>Net book value</b>	
At 30 September 2009	8,374
	<hr/>
At 30 September 2008	5,224
	<hr/>

# E & M E GILL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

### 9 Tangible fixed assets

	Leasehold property and improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 October 2008	275,197	199,010	113,244	85,951	673,402
Additions	119,958	55,378	39,885	-	215,221
Disposals	-	(7,700)	-	(85,951)	(93,651)
At 30 September 2009	395,155	246,688	153,129	-	794,972
<b>Depreciation</b>					
At 1 October 2008	90,031	115,269	79,492	17,825	302,617
On disposals	-	(3,850)	-	(17,825)	(21,675)
Charge for the year	6,591	23,748	11,150	-	41,489
At 30 September 2009	96,622	135,167	90,642	-	322,431
<b>Net book value</b>					
At 30 September 2009	298,533	111,521	62,487	-	472,541
At 30 September 2008	185,166	83,741	33,752	68,126	370,785

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £	Motor vehicles £	Total £
<b>Net book values</b>			
At 30 September 2009	23,641	-	23,641
At 30 September 2008	6,054	68,126	74,180
<b>Depreciation charge for the year</b>			
At 30 September 2009	8,078	-	8,078
At 30 September 2008	2,018	17,825	19,843



# E & M E GILL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

10 Debtors	2009 £	2008 £
Trade debtors	30,604,417	17,908,311
Other debtors	199,066	165,278
Prepayments and accrued income	996,540	659,443
	<u>31,800,023</u>	<u>18,733,032</u>
11 Creditors: amounts falling due within one year	2009 £	2008 £
Net obligations under hire purchase contracts	12,060	12,610
Trade creditors	36,128,577	20,468,490
Corporation tax	70,000	55,000
Other taxes and social security costs	94,502	93,167
Other creditors	44	6,158
Accruals and deferred income	132,467	69,490
	<u>36,437,650</u>	<u>20,704,915</u>

# E & M E GILL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

12 Creditors amounts falling due after more than one year	2009 £	2008 £
Bank loans	140,000	75,000
Net obligations under hire purchase contracts	16,714	56,880
	<u>156,714</u>	<u>131,880</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	140,000	75,000
	<u>140,000</u>	<u>75,000</u>
<b>Loan maturity analysis</b>		
In more than five years	140,000	75,000
	<u>140,000</u>	<u>75,000</u>
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	12,060	12,610
Repayable between one and five years	16,714	56,880
	<u>28,774</u>	<u>69,490</u>
Included in liabilities falling due within one year	(12,060)	(12,610)
	<u>16,714</u>	<u>56,880</u>

### 13 Provisions for liabilities

	Deferred tax liability £
Profit and loss account	17,633
Balance at 30 September 2009	<u>17,633</u>

The deferred tax liability is made up as follows

	2009 £	2008 £
Accelerated capital allowances	<u>17,633</u>	<u>-</u>

# E & M E GILL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

### 14 Pension and other post-retirement benefit commitments Defined contribution

	2009 £	2008 £
Contributions payable by the company for the year	7,835	2,560

### 15 Share capital

	2009 £	2008 £
<b>Authorised</b>		
750,000 Ordinary shares of £1 each	750,000	750,000
750,000 Redeemable preference shares of £1 each	750,000	750,000
	<u>1,500,000</u>	<u>1,500,000</u>
<b>Allotted, called up and fully paid</b>		
63,000 Ordinary shares of £1 each	63,000	63,000
449,000 Redeemable preference shares of £1 each	449,000	449,000
	<u>512,000</u>	<u>512,000</u>

The Redeemable Preference Shares shall entitle the holder thereof to fixed preferential dividends on such shares at the rate of 9% per annum and shall be redeemed at par in whole at the option of the company after 1 January 2010 by the giving of not less than three months notice to the holder thereof. The holders have waived their rights to a dividend for the year.

### 16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2008	(254,688)
Profit for the year	242,808
Dividends paid	<u>(100,000)</u>
Balance at 30 September 2009	<u>(111,880)</u>

# **E & M E GILL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009**

<b>17 Reconciliation of movements in shareholders' funds</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	242,808	210,395
Dividends	(100,000)	(190,000)
Net addition to shareholders' funds	142,808	20,395
Opening shareholders' funds	257,310	236,915
Closing shareholders' funds	400,120	257,310

## **18 Financial commitments**

At 30 September 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2010

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases which expire				
Within one year	-	-	2,748	13,608
Between two and five years	188,000	48,000	85,368	-
	188,000	48,000	88,116	13,608

<b>19 Directors' emoluments</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Emoluments for qualifying services	542,877	505,251
Company pension contributions to money purchase schemes	7,835	2,560
	550,712	507,811
Emoluments disclosed above include the following amounts paid to the highest paid director		
Emoluments for qualifying services	404,000	320,005

# E & M E GILL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

### 20 Employees

#### Number of employees

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

	2009 Number	2008 Number
Sales/Admin/Finance	130	80

#### Employment costs

	2009 £	2008 £
Wages and salaries	3,685,290	1,708,140
Social security costs	111,427	46,044
Other pension costs	7,835	2,560
	3,804,552	1,756,744

### 21 Control

The ultimate controlling party is Mr A P Gill