

Apple Booking Company Limited

Financial statements

for the year ended 31 March 1995

Registered no. 1693250



Apple Booking Company Limited

Financial statements for the year ended 31 March 1995

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Apple Booking Company Limited

Directors and advisers

Directors

G N Pack (Chairman)
A P Williams
Mrs C A Pack
Mrs J B Williams
I A Stewart
A G C Jones
D B Cowell
A F B Harvey
S D Lawrence

Secretary

A P Williams (resigned 29 March 1995)
A F B Harvey (appointed 29 March 1995)

Registered auditors

Reeves & Neylan
37 St Margaret's Street
Canterbury
Kent CT1 2TU

Registered office

Apple Barn
Smeeth
Ashford
Kent TN25 6SR

Bankers

National Westminster Bank plc
75 High Street
Hythe
Kent

Apple Booking Company Limited

Directors' report for the year ended 31 March 1995

The directors submit their report and financial statements for the year ended 31 March 1995.

Results and dividends

The trading profit for the year, after taxation, amounted to £ 390,587 (1994: £ 203,823) which has been taken to reserves. The directors do not recommend the payment of a dividend.

Review of the business

The company's principal activity during the year was the sale of travel related services.

Future developments

It is the board's intention to continue to expand and develop the company's activities.

Directors' responsibilities

Company law requires 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 policies 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Fixed assets

The changes in fixed assets are summarised in note 8 to the financial statements.

The directors are of the opinion that the open market value of the freehold property is at least equal to the cost.

During the year under review approximately £ 376,000 has been spent on tangible fixed assets.

Apple Booking Company Limited

Directors' report for the year ended 31 March 1995

Directors

The directors and their interests in the ordinary share capital of the company were as follows:

	31 March 1995	1 April 1994
Ordinary shares of £1 each		
G N Pack	8,000	8,000
A P Williams	7,000	7,000
I A Stewart	-	-
G G Pack (retired 28 February 1995)	-	-
A J G Jones	-	-
D B Cowell	-	-
A F B Harvey	-	-
S D Lawrence (appointed 3 December 1994)	-	-
Mrs C A Pack	5,000	5,000
Mrs J B Williams	-	-

G N Pack, Mrs C A Pack and A F B Harvey retire by rotation and being eligible, offer themselves for re-election.

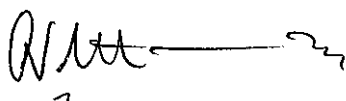
Donations

During the year under review the company has made charitable donations of £ 1,245 (1994: £985) to national and local charities.

Auditors

Messrs Reeves & Neylan, Chartered Accountants, 37 St Margaret's Street, Canterbury, have indicated their willingness to stand for re-election, and accordingly a resolution proposing their reappointment will be placed before the annual general meeting at which these financial statements are considered.

By order of the board



A F B Harvey
Secretary
11 September 1995

Report of the auditors to the members of Apple Booking Company Limited

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

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.

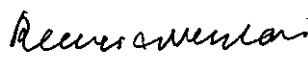
Basis of opinion

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 as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Reeves & Neylan
Chartered Accountants & Registered Auditors
Canterbury

12 September 1995

Apple Booking Company Limited

Profit and loss account for the year ended 31 March 1995

	Note	1995 £	1994 £
Turnover		14,676,435	10,481,919
Cost of sales		(11,612,974)	(8,319,890)
Gross profit		3,063,461	2,162,029
Administrative expenses		(2,649,819)	(1,926,881)
Other operating income	4	31,119	28,650
Operating profit		444,761	263,798
Income from fixed asset investments		(4,616)	4,362
Interest and dividends receivable	5	105,926	70,718
Interest payable		(177)	(2,530)
Profit on ordinary activities before taxation		545,894	336,348
Tax on profit on ordinary activities	6	(155,307)	(132,525)
Profit on ordinary activities after taxation		390,587	203,823
Dividends	7	-	-
Profit for the financial year		390,587	203,823
Retained profit brought forward		362,562	178,539
Capitalisation of profits in respect of bonus share issue	14	-	(19,800)
Retained profit carried forward		753,149	362,562

The company has no recognised gains or losses other than those disclosed in the above profit & loss account.

All results are derived entirely from continuing operations.

The notes on pages 9 to 16 form part of these financial statements.

Apple Booking Company Limited

Balance sheet at 31 March 1995

	Note	£	1995 £	£	1994 £
Fixed assets					
Tangible assets	8		931,129		738,801
Investments	9		<u>386,239</u>		<u>270,613</u>
			1,317,368		1,009,414
Current assets					
Debtors	10	1,711,691		706,222	
Investments	11	219,096		9,506	
Cash at bank and in hand		<u>1,659,303</u>		<u>1,717,876</u>	
		3,590,090		2,433,604	
Creditors: amounts falling due within one year	12	<u>3,019,448</u>		<u>2,325,509</u>	
Net current assets			570,642		108,095
Accruals and deferred income	13		<u>(1,114,861)</u>		<u>(734,947)</u>
Total assets less current liabilities			<u><u>773,149</u></u>		<u><u>382,562</u></u>
Capital and reserves					
Called up share capital	14		20,000		20,000
Profit and loss account			<u>753,149</u>		<u>362,562</u>
	15		<u><u>773,149</u></u>		<u><u>382,562</u></u>

These financial statements were approved by the board of directors on 11 September 1995 and signed on their behalf by:-


G N Pack
Director


A F B Harvey
Director

The notes on pages 9 to 16 form part of these financial statements.

Apple Booking Company Limited

Cash flow statement for the year ended 31 March 1995

		£	1995 £	£	1994 £
	Note				
Net cash inflow from operating activities	1		638,432		1,044,207
Returns on investment and servicing of finance					
Interest received		105,926		70,500	
Interest paid		(177)		(2,530)	
Dividends received		-		163	
Dividends paid		-		-	
Income from partnership investments		(4,616)		4,362	
Net cash inflow from returns on investment and servicing of finance			101,133		72,495
Taxation paid			(131,557)		(33,985)
Investing activities					
Purchase of tangible fixed assets		(376,578)		(147,468)	
Additions in partnership investments (fixed asset investments)		(115,626)		(59,198)	
Purchase of current asset investments		(209,590)		(8,480)	
Sale of tangible fixed assets		35,213		19,745	
Sale of current asset investments		-		12,750	
Net cash outflow from investing activities			(666,581)		(182,651)
Net cash (outflow)/inflow before and after financing			(58,573)		900,066
(Decrease)/Increase in cash and cash equivalents	2		(58,573)		900,066

The notes to this cash flow statement are set out on page 8.

Apple Booking Company Limited

Notes to the cash flow statement for the year ended 31 March 1995

1 Reconciliation of operating profit to net cash inflow from operating activities

	1995 £	1994 £
Operating profit	444,761	263,798
Depreciation and loss on sale	157,732	132,532
(Profit)/loss on sale of fixed assets	(8,695)	2,111
Loss on sale of investments	-	2,981
(Increase)/decrease in debtors	(1,005,469)	97,659
Increase in creditors	670,189	327,166
Increase in deferred income	379,914	217,960
Net cash inflow from operating activities	638,432	1,044,207

2 Analysis of changes in cash and cash equivalents during the year

	£	£
Balance at 1 April 1994	1,717,876	817,810
Net cash (outflow)/inflow	(58,573)	900,066
Balance at 31 March 1995	1,659,303	1,717,876

The notes on pages 9 to 16 form part of these financial statements.

Apple Booking Company Limited

Principal accounting policies

Accounting convention

These financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards.

Recognition of income

(a) Sale of hotel accommodation, rail travel and car parking.

Credit is taken to the profit and loss account for stay dates falling during the accounting period.

(b) Travel Insurance

Credit is taken to the profit and loss account for the commission arising on insurance policies received during the accounting period.

Under a profit sharing arrangement with the suppliers of travel insurance policies there may be an additional amount of commission due to the company for policies received during the period. Credit is taken for such amounts as and when received. Under the agreement the company is not liable for any losses relating to policies sold.

Depreciation

(a) Freehold buildings

Statement of Standard Accounting Practice number 12 requires depreciation to be provided for on freehold buildings. No depreciation has been provided on the grounds that the company operates a policy of planned maintenance.

(b) Other assets

Depreciation is provided on all tangible fixed assets, other than freehold land and buildings, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Motor vehicles	- 25% reducing balance
Computer equipment	- 25% straight line
Other fixtures, fittings & equipment	- 25% reducing balance

During the previous financial year the company accelerated the application of its depreciation policy in respect of certain items included within equipment relating to computer hardware and software. These are now being depreciated on a straight line basis over a 4 year term.

Deferred taxation

Deferred taxation is provided on the liability method on all short term timing differences. Provision is also made for long term timing differences, except for those which are not expected to reverse in the foreseeable future.

Apple Booking Company Limited

Principal accounting policies

Gross profit on trading activities

(a) Value added tax

Value added tax on trading activities is accounted for under the Tour Operators' Margin Scheme. VAT payable under the scheme is included in cost of sales.

(b) Commissions due to agents

Commissions payable to agents on business introduced in the year are included in cost of sales.

Turnover is shown gross before deduction of relevant commissions. This treatment is consistent with the VAT requirements of the Tour Operators' Margin Scheme.

Pension Costs

Pension costs charged against profit represent the amount of contributions payable to the pension scheme in respect of the accounting period.

Treatment of income from fixed asset investments

The company's share of profits/losses arising from its interests in partnerships, shown under fixed asset investments, is taken to the profit and loss account and disclosed separately. Although the year ends of the partnerships are not coterminous with that of the company, the effect of this is not material.

Apple Booking Company Limited

Notes to the financial statements for the year ended 31 March 1995

1 Turnover

Turnover comprises:-

- i) Gross value of sales of hotel accommodation, car hire, car parking and rail travel
- ii) Commission arising on travel insurance business.

All turnover arises within the EC.

2 Operating profit

This is stated after:

	1995 £	1994 £
Directors' remuneration (see below)	530,193	265,534
Auditors' remuneration	7,500	7,000
Depreciation and profit/loss on sale	149,037	134,643
Specific bad debt provision	26,841	76,371
	<u>530,193</u>	<u>265,534</u>

3 Staff costs and directors' emoluments

	1995 £	1994 £
Staff costs (including directors)		
Wages and salaries	1,018,743	719,732
Social security costs	94,868	76,420
Other pension and medical health costs	118,399	38,837
	<u>1,232,010</u>	<u>834,989</u>

The average weekly number of employees during the year was as follows:-

	1995	1994
Office administration	77	62
Sales	14	8
	<u>91</u>	<u>70</u>

Directors' emoluments

	1995 £	1994 £
Remuneration (including benefits in kind)	418,738	227,984
Pension contributions and health insurance	111,455	37,550
	<u>530,193</u>	<u>265,534</u>

Apple Booking Company Limited

Notes to the financial statements for the year ended 31 March 1995

3 Staff costs and directors' emoluments (continued)

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	Number	Number
£1 - £5,000	1	1
£5,001 - £10,000	1	1
£15,001 - £20,000	-	-
£20,001 - £25,000	2	2
£25,001 - £30,000	-	2
£30,001 - £35,000	-	1
£40,001 - £45,000	-	1
£45,001 - £50,000	1	1
£60,001 - £65,000	4	-
£65,001 - £70,000	1	-

The emoluments of the chairman, excluding pension contributions, were £60,379 (1994: £28,745). Emoluments of the highest paid director excluding pension contributions were £66,816 (1994: £45,142).

4 Other operating income

Other operating income principally comprises management fees receivable.

5 Investment income

Included within interest and dividends receivable is the following amount in respect of income from listed investments:

1995 £	1994 £
-	217
<u> </u>	<u> </u>

6 Taxation on profit on ordinary activities

	1995 £	1994 £
UK corporation tax on profit for the year at 33%	152,750	129,000
Corporation tax underprovided in previous years	2,557	3,471
Tax attributable to franked investment income	-	54
	<u>155,307</u>	<u>132,525</u>

7 Dividends

No dividends were payable during the year under review.

Apple Booking Company Limited

Notes to the financial statements for the year ended 31 March 1995

8 Tangible fixed assets

	Freehold land & buildings £	Motor vehicles £	Fixtures & equipment £	Total £
Cost				
At 1 April 1994	398,283	223,554	475,560	1,097,397
Additions	69,896	128,196	178,486	376,578
Disposals	15,001	43,228	1,360	59,589
	<u>453,178</u>	<u>308,522</u>	<u>652,686</u>	<u>1,414,386</u>
At 31 March 1995	453,178	308,522	652,686	1,414,386
Depreciation				
At 1 April 1994	-	118,968	239,628	358,596
Provided during the year	-	42,043	111,922	153,965
Disposals	-	29,162	142	29,304
	<u>-</u>	<u>131,849</u>	<u>351,408</u>	<u>483,257</u>
At 31 March 1995	-	131,849	351,408	483,257
Net book value				
At 31 March 1995	<u>453,178</u>	<u>176,673</u>	<u>301,278</u>	<u>931,129</u>
At 1 April 1994	<u>398,283</u>	<u>104,586</u>	<u>235,932</u>	<u>738,801</u>

No depreciation is provided on buildings included in the amounts above. (See accounting policies). An estimated division of the cost of freehold land and buildings would attribute £350,000 to buildings and the balance to land.

9 Fixed asset investments

	Interests in partnerships £	Interests in shares in companies £	Total £
Cost as at 1 April 1994	270,593	20	270,613
Additions during the year	115,626	-	115,626
Cost as at 31 March 1995	<u>386,219</u>	<u>20</u>	<u>386,239</u>

The company has interests in two partnerships, known as Apple Barn Creative Design and ABC World Travel; the company's profit sharing interests in these partnerships are 10% and 17% respectively. The investment disclosed above comprises the company's capital account balance in the partnerships at the balance sheet date.

The profits/losses of these entities are not material to the company's results as a whole.

Apple Booking Company Limited

Notes to the financial statements for the year ended 31 March 1995

10 Debtors & prepayments

	1995 £	1994 £
Trade debtors	539,558	412,404
Other debtors	128,956	146,869
Trade prepayments	1,043,177	146,949
	<u>1,711,691</u>	<u>706,222</u>

Included within trade prepayments is an amount of £997,416 (1994: NIL) in respect of services purchased in advance from suppliers.

11 Current assets investments

	1995 £	1994 £
Cost at 31 March 1995	<u>219,096</u>	<u>9,506</u>

Included within investments are shareholdings with a historical cost of £189,000 in companies listed on the London Stock Exchange, the market value of which at 31 March 1995 was £194,000.

12 Creditors: amounts falling due within one year

	1995 £	1994 £
Trade creditors	2,768,034	2,128,971
Other taxes and social security costs	44,410	46,297
Corporation tax	152,750	129,000
Other creditors	36,254	10,241
Accruals	18,000	11,000
	<u>3,019,448</u>	<u>2,325,509</u>

13 Accruals and deferred income

This comprises bookings where income has been received in advance and the stay date falls after the balance sheet date.

Apple Booking Company Limited

Notes to the financial statements for the year ended 31 March 1995

14 Share capital

	1995 £	1994 £
Authorised:		
Ordinary £1 shares	20,000	20,000
Allotted, called up and fully paid:		
Ordinary £1 shares	<u>20,000</u>	<u>20,000</u>

15 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Profit for the financial year	<u>390,587</u>	<u>203,823</u>
Net addition to shareholders' funds	390,587	203,823
Issue of share capital during the year	-	19,800
Opening shareholders' funds at 1 April 1994	382,562	178,739
Transfer to share capital	-	(19,800)
Closing shareholders' funds at 31 March 1995	<u>773,149</u>	<u>382,562</u>

16 Transactions with directors

(a) Trading activities

During the course of the year under review services were purchased from the following:-

(i) A partnership consisting of Mr A P Williams, Mr G N Pack, Mrs C A Pack and others. The cost of these services was £177,309 (1994: £227,022). The amount due to Apple Booking Company Limited at the balance sheet date included in Trade Debtors was £5,912 (1994: £NIL). Services were also purchased in advance from the partnership and are included in Trade Prepayments at the Balance sheet date in the amount of £29,359 (1994: £10,205).

(ii) A partnership consisting of Mrs C A Pack, Mrs J B Williams and Mr G N Pack. The cost of these services was £3,803,505 (1994: £2,296,787). The amount due from Apple Booking Company Limited at the balance sheet date included in Trade Creditors was £513,506 (1994: £263,619). Services were also purchased in advance from the partnership and are included in Trade Prepayments at the balance sheet date in the amount of £997,416 (1994: £NIL).

(iii) A partnership consisting of Mr A P Williams and Mrs C A Pack. The cost of these services was £42,775 (1994: £NIL). The amount due from Apple Booking Company Limited at the balance sheet date included in Trade Creditors was £9,637 (1994: £NIL). Services were also purchased in advance from the partnership and are included in Trade Prepayments at the balance sheet date in the amount of £4,791 (1994: £NIL).

(iv) A partnership consisting of Mrs C A Pack and Mrs J B Williams. The cost of these services was £28,214 (1994: £NIL). The amount due from Apple Booking Company Limited included in Trade Creditors was £3,981 (1994: £NIL).

Apple Booking Company Limited

Notes to the financial statements for the year ended 31 March 1995

16 Transactions with directors (continued)

(v) Partnerships consisting of Mr G N Pack, Mr A P Williams and Apple Booking Company Limited (See note 9). The cost of these services was £120,481 (1994: £157,216)

(vi) A company which provides services which are marketed by Apple Booking Company Limited, to its customers. Mr G N Pack, Mr A P Williams and Mrs C A Pack have a material interest in the shares of this company. The amount due to Apple Booking Company Limited included in Trade Prepayments was £465,962 (1994: £136,744). The amount is cleared regularly on normal trading terms and no interest is charged.

17 Deferred taxation

Deferred taxation provided on the financial statements and the potential amounts, including the amounts for which provision has been made, are as follows:-

	1995	Provision 1994	1995	Potential 1994
As at 1 April 1994	-	-	-	-
Capital allowances in advance of depreciation	-	-	-	2,219
Capital gain on property sale rolled over	-	-	5,680	5,680
	<u>-</u>	<u>-</u>	<u>5,680</u>	<u>5,680</u>
As at 31 March 1995	<u>-</u>	<u>-</u>	<u>5,680</u>	<u>7,899</u>

18 Pension costs

The company pension schemes are defined contribution schemes. The assets of the pension schemes are held separately from those of the company in independently administered funds.

The pension cost charge included in the financial statements is £118,399. (1994: £38,837).

19 Contingent liabilities

The company has indemnified its bankers in respect of bonds issued by the bank to various trade suppliers in respect the partnership ABC World Travel in which the company is a partner. The total contingent liability under the bonds amounted to £119,515 at 31 March 1995 (1994: £95,000), and is secured by legal charge on the freehold property. In the opinion of the directors liabilities in respect of these bonds are most unlikely to arise.

20 Capital commitments authorised and contracted for

There is a commitment to incur capital expenditure at the balance sheet date in the amount of £7,700. This relates to the completion of building work commenced in the year ended 31 March 1995.