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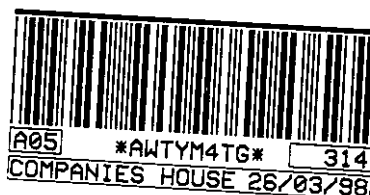
Registration

# Hays Travel Limited

## Report and Accounts

31 October 1997

 ERNST & YOUNG



# Hays Travel Limited

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Registered No: 1990682

## **DIRECTORS**

Mrs M Hays

Mr J Hays

Mr M Hays

## **SECRETARY**

Mr W Thompson

## **AUDITORS**

Ernst & Young

Norham House

12 New Bridge Street West

Newcastle upon Tyne

NE1 8AD

## **BANKERS**

Barclays Bank PLC

53 Fawcett Street

Sunderland

Tyne & Wear

SR1 1SD

## **REGISTERED OFFICE**

25 Vine Place

Sunderland

Tyne & Wear

SR1 3NA

# Hays Travel Limited

## DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 October 1997.

### RESULTS AND DIVIDENDS

The trading profit for the year, after taxation, amounted to £198,177. The directors do not recommend the payment of a final ordinary dividend and propose that the profit for the year be carried to reserves.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity during the year was as a travel agent operating through twenty branches located in Tyne & Wear and County Durham.

The directors are satisfied with the company's performance during the year and intend to continue with the profitable development of its activities.

### FIXED ASSETS

The changes in fixed assets during the year are summarised in the notes to the accounts.

### DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year and their interests in the ordinary share capital of the company were as follows:-

	<i>At 31 October 1997</i>	<i>At 31 October 1996</i>
Mrs M Hays	4,000	4,000
Mr J Hays	40,800	40,800
Mr M Hays	35,200	35,200

Mr J Hays retires by rotation and, being eligible, offers himself for re-election.

### CLOSE COMPANY

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

### AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

J Hays  
Director

Date

20/3/98

STATEMENT OF DIRECTORS' RESPONSIBILITIES  
IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 year. In preparing those accounts, 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 accounts; and
- prepare the accounts 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 accounts 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.

**REPORT OF THE AUDITORS**  
**to the members of Hays Travel Limited**

We have audited the accounts on pages 6 to 14, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

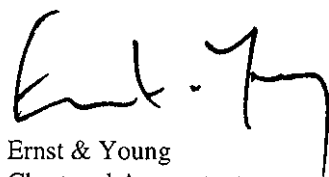
**Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 October 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
Newcastle upon Tyne

23 March 1998

# Hays Travel Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 October 1997

	<i>Notes</i>	<i>1997</i> £	<i>1996</i> £
<b>TURNOVER</b>	2	43,207,332	30,114,327
Commission on turnover	2	4,425,348	3,228,333
Administrative expenses		4,269,387	3,033,404
<b>OPERATING PROFIT</b>	3	155,961	194,929
Interest receivable		143,863	101,168
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		299,824	296,097
Tax on profit on ordinary activities	5	101,647	69,490
<b>RETAINED PROFIT FOR THE YEAR</b>	11	£198,177	£226,607

There are no recognised gains or losses other than those dealt with above in the profit and loss account.

# Hays Travel Limited


## BALANCE SHEET at 31 October 1997

	Notes	1997 £	1996 £
<b>FIXED ASSETS</b>			
Tangible assets	6	323,695	357,609
Investments	7	2,000	-
		<u>325,695</u>	<u>357,609</u>
<b>CURRENT ASSETS</b>			
Debtors	8	413,997	187,117
Cash at bank and in hand		3,000,465	1,551,128
		<u>3,414,462</u>	<u>1,738,245</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>2,345,283</u>	<u>899,157</u>
<b>NET CURRENT ASSETS</b>		<u>1,069,179</u>	<u>839,088</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£1,394,874</u>	<u>£1,196,697</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	80,000	80,000
Profit and loss account	11	1,314,874	1,116,697
	11	<u>£1,394,874</u>	<u>£1,196,697</u>

J Hays

Director

Date

  
20/3/98

# Hays Travel Limited

## STATEMENT OF CASH FLOWS

for the year ended 31 October 1997

	<i>Notes</i>	<i>1997</i> £	<i>1996</i> £
NET CASH INFLOW FROM OPERATING ACTIVITIES	12(a)	1,487,856	698,074
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	12(b)	144,105	99,100
TAXATION	12(b)	(80,607)	(63,674)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	12(b)	(102,017)	(164,214)
INCREASE IN CASH		<u>£1,449,337</u>	<u>£569,286</u>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

		<i>1997</i> £	<i>1996</i> £
INCREASE IN CASH	12(c)	1,449,337	569,286
MOVEMENT IN CASH		<u>1,449,337</u>	<u>569,286</u>
CASH AT 1 NOVEMBER 1996	12(c)	1,551,128	981,842
CASH AT 31 OCTOBER 1997	12(c)	<u>£3,000,465</u>	<u>£1,551,128</u>

# Hays Travel Limited

## NOTES TO THE ACCOUNTS

at 31 October 1997

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *Depreciation*

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

Freehold buildings	-	over 25 years
Leasehold buildings	-	over the shorter of lease term and 8 years
Computer equipment	-	over 5 years
Fixtures, fittings and office equipment	-	over 5 years
Motor vehicles	-	over 3 years

#### *Deferred taxation*

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

#### *Operating leases*

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

#### *Basis of consolidation*

Group accounts have not been prepared because the company is entitled for the year ended 31 October 1997 to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts. Consequently the accounts presented relate only to the company.

### 2. TURNOVER

Turnover represents the gross value of sales as a travel agent.

Commission on turnover represents commission earned as a travel agent, all of which is stated net of value added tax and arises from continuing operations.

### 3. OPERATING PROFIT

	1997 £	1996 £
This is stated after charging/(crediting):		
Auditors' remuneration	4,000	4,000
Depreciation	136,135	130,051
Operating lease rentals - plant and machinery	1,701	1,855
Profit on disposal of fixed assets	(2,204)	-
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# Hays Travel Limited

## NOTES TO THE ACCOUNTS at 31 October 1997

### 4. DIRECTORS' EMOLUMENTS

	1997 £	1996 £
Other emoluments (including pension contributions)	258,594	125,142
	<u>£258,594</u>	<u>£125,142</u>

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

	1997 No.	1996 No.
£Nil - £5,000	1	1
£55,001 - £60,000	-	1
£60,001 - £65,000	-	1
£120,001 - £125,000	1	-
£125,001 - £130,000	1	-

The emoluments, excluding pension contributions of the Chairman were £129,568 (1996: £59,630), and the emoluments, excluding pension contributions, of the highest paid director were £129,568 (1996 £ 61,168).

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997	1996
Based on the profit for the year:		
UK Corporation tax	101,000	79,960
Under/(Over)provided in prior years	647	(10,470)
	<u>£101,647</u>	<u>£69,490</u>

At 31 October 1997 there was no potential deferred tax liability (31 October 1996: £Nil).

# Hays Travel Limited

## NOTES TO THE ACCOUNTS at 31 October 1997

### 6. TANGIBLE FIXED ASSETS

	<i>Short leasehold buildings</i> £	<i>Freehold land and buildings</i> £	<i>Office equipment</i> £	<i>Fixtures and fittings</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost:						
At 1 November 1996	53,727	127,865	414,196	222,862	167,507	986,157
Additions	-	-	69,887	35,630	-	105,517
Disposals	-	-	-	-	(34,122)	(34,122)
At 31 October 1997	53,727	127,865	484,083	258,492	133,385	1,057,552
Depreciation:						
At 1 November 1996	53,727	39,415	273,083	156,374	105,949	628,548
Provided during year	-	5,115	64,693	32,963	33,364	136,135
Disposals	-	-	-	-	(30,826)	(30,826)
At 31 October 1997	53,727	44,530	337,776	189,337	108,487	733,857
Net book value:						
At 31 October 1997	-	£83,335	£146,307	£69,155	£24,898	£323,695
At 1 November 1996	-	£88,450	£141,113	£66,488	£61,558	£357,609

### 7. INVESTMENTS

	<i>Investment in subsidiary undertaking</i> £
Cost:	
At 1 November 1996	-
Additions	2,000
At 31 October 1997	£2,000

The investment in subsidiary undertaking comprises a holding of 100% of the issued ordinary share capital of Hays Airseats Limited, a company registered in England and Wales. During its latest financial year Hays Airseats Limited made a profit after tax of £91,785, and at the end of that year the aggregate of its capital and reserves was £93,785.

### 8. DEBTORS

	<i>1997</i> £	<i>1996</i> £
Trade debtors	350,561	143,116
Other debtors	-	3,372
Prepayments	63,436	40,629
	£413,997	£187,117

### 9. CREDITORS: amounts falling due within one year

<i>1997</i>	<i>1996</i>
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# Hays Travel Limited

## NOTES TO THE ACCOUNTS at 31 October 1997

	£	£
Trade creditors	1,962,947	776,036
Current corporation tax	101,000	79,960
Other creditors	23,312	24,505
Accruals	258,024	18,656
	<u>£2,345,283</u>	<u>£899,157</u>

### 10. SHARE CAPITAL

	1997 No.	Authorised 1996 No.	1997 £	Allotted, called up and fully paid 1996 £
Ordinary shares of £1 each	80,000	80,000	£80,000	£80,000

### 11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £	Total £
At 1 November 1996	80,000	1,116,697	1,196,697
Retained profit for the year	-	198,177	198,177
At 31 October 1997	<u>£80,000</u>	<u>£1,314,874</u>	<u>£1,394,874</u>

### 12. NOTES TO STATEMENT OF CASH FLOWS

#### a) Reconciliation of operating profit to net cash inflow from operating activities

	1997 £	1996 £
Operating profit	155,961	194,929
Depreciation	136,135	130,051
(Increase)/decrease in debtors	(227,122)	37,563
Increase in creditors	1,425,086	335,531
Profit on disposal of tangible fixed assets	(2,204)	-
Net cash inflow from operating activities	<u>£1,487,856</u>	<u>£698,074</u>

# Hays Travel Limited

## NOTES TO THE ACCOUNTS

at 31 October 1997

(b) Analysis of cash flows for headings netted in the statement of cash flows

	1997 £	1996 £
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>		
Interest received	£144,105	£99,100
	1997 £	1996 £
<b>TAXATION</b>		
Corporation tax paid	£80,607	£63,674
	1997 £	1996 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Payment to acquire tangible fixed assets	(105,517)	(165,044)
Receipts from sales of tangible fixed assets	5,500	830
Payments to acquire fixed asset investments	(2,000)	-
	£(102,017)	£(164,214)

(c) Analysis of changes in net debt

	At 1 November 1996 £	Cash flow £	Other changes £	At 31 October 1997 £
Cash at bank and in hand	£1,551,128	£1,449,337	-	£3,000,465

### 13. CAPITAL COMMITMENTS

At 31 October 1997 there were no capital commitments authorised by the directors (31 October 1996:£Nil).

### 14. LEASING COMMITMENTS

At 31 October 1997 the company had annual commitments under non-cancellable operating leases in respect of fixtures and fittings as set out below:-

	1997 £	1996 £
Operating leases which expire:		
within one year	232	-
in two to five years	1,469	1,701
	£1,701	£1,701

NOTES TO THE ACCOUNTS

at 31 October 1997

**15. CONTINGENT LIABILITIES**

The company's bankers have provided The Association of British Travel Agents Limited with a bond for £732,123 with recourse to the company. This bond expires in January 1998. The charge is secured by a fixed charge over the company's freehold properties, book debts and a floating charge over all other assets.

In addition to this, the company's bankers have provided the Civil Aviation Authority with a bond for £64,500 with joint recourse to the company and the company's subsidiary undertaking in Hays Airseats Limited..