

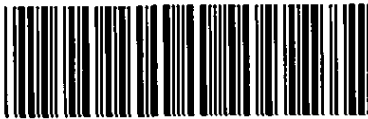
FTO TRUST FUND LIMITED
Limited by Guarantee

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

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FTO TRUST FUND LIMITED
Limited by Guarantee

COMPANY INFORMATION

Directors	M de S Brackenbury J V Fleming R J Gimblett H M Simpson
Secretary	A V Cooper
Company Number	2845810
Registered Office	First Floor Graphic House 14-16 Sussex Road Haywards Heath East Sussex
Auditors	Knill James 78 High Street Lewes East Sussex
Business Address	First Floor Graphic House 14-16 Sussex Road Haywards Heath East Sussex
Bankers	The Royal Bank of Scotland Plc P O Box 412 62-63 Threadneedle Street London

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FOR THE YEAR ENDED 31 DECEMBER 2006

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FTO TRUST FUND LIMITED
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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

DIRECTORS' REPORT

The Directors present their annual report and the audited Financial Statements for the year ended 31 December 2006

Principal Activities

The principal activity of the Company continued to be that of bond administration, in the event that one of the members of the Federation of Tour Operators ceases to trade. Under the terms of these bonds, the Company is required to return to the obligors any unexpended bond monies and is therefore not permitted to profit from this activity.

Business Review

On 29 November 1994 Best Travel Limited, a member of the Federation of Tour Operators, went into liquidation. On 30 November 1994 the Company received the proceeds of the bond issued in relation to Best Travel Limited.

On 3 February 1995 Medchoice Holidays Limited, also a member of the Federation of Tour Operators, went into liquidation. On 13 February 1995 the Company received the proceeds of the bond issued in relation to Medchoice Holidays Limited.

During the year the Company has not received any claims.

Results for the Period

Given the nature of the Company's activities, there was neither a profit nor a loss for the year.

Directors

The Directors who held office during the year were as follows:

M de S Brackenbury	(Chairman)
J V Fleming	
R J Gimblett	
H M Simpson	

The company is limited by guarantee and as such the directors do not hold any share interest.

Statement of disclosure to auditor


- a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- b) they have taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing Knill James be reappointed as auditors of the company will be put to the Annual General Meeting.

The report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board


A V Cooper
Secretary

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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,
- 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FTO TRUST FUND LIMITED**

We have audited the Financial Statements of FTO Trust Fund Limited on pages 4 to 9 for the year ended 31 December 2006. These Financial Statements have been prepared in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 opinion we have formed.

Respective Responsibilities of Directors and Auditors

As described in the statement of directors' responsibilities on page 2 the Company's directors are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we required for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

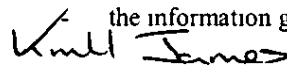
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Audited Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates 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 in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the Company's affairs as at 31 December 2005 and of its profits for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and the information given in the directors' report is consistent with the financial statements.



Knill James

Chartered Accountants

Registered Auditors

78 High Street

Lewes

East Sussex



FTO TRUST FUND LIMITED
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INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 £	2005 £
Income			
Funds utilised/(released)	4	-	-
Expenditure			
Administrative expenses		-	-
		<u>-</u>	<u>-</u>
Excess of Income over Expenditure		<u>-</u>	<u>-</u>

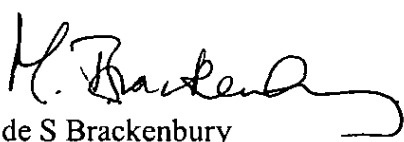
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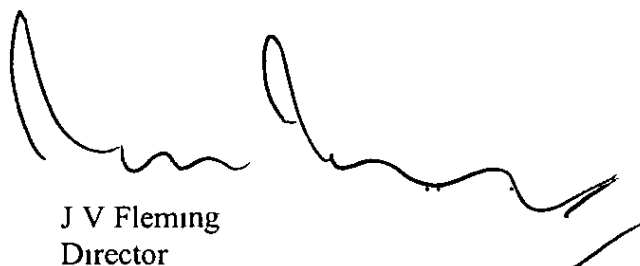
BALANCE SHEET
AT 31 DECEMBER 2006

	Note	2006 £	2005 £
Current Assets			
Debtors	8	-	-
Cash at bank and in hand		293,427	284,672
		<u>293,427</u>	<u>284,672</u>
Creditors amounts falling due within one year	9	(293,427)	(284,672)
		<u>-</u>	<u>-</u>
Net current assets		<u>-</u>	<u>-</u>
Reserves		<u>-</u>	<u>-</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These Financial Statements were approved by the board of Directors for issue on **8 August 2007** and were signed on its behalf by

X 
M de S Brackenbury
Director


J V Fleming
Director

FTO TRUST FUND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

1 Members' liability

The Company is limited by guarantee. Every member of the Company undertakes to contribute to the assets of the Company, in the event of its being wound up while he is a member or within one year afterwards, for the payment of the debts and liabilities of the Company contracted before he ceased to be a member, and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors amongst themselves, such amounts as may be required not exceeding £1

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's Financial Statements

Basis of Preparation

The Financial Statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2005)

The purpose of the Company is bond administration in the event that one of the members of the Federation of Tour Operators ceases to trade. Under the terms of the bond, the Company has to repay to the obligor such part of the bonded sum as shall not be expended by the Company in carrying out the bond administration. Accordingly, the income and expenditure account comprises a statement of funds utilised for the year. This summarises the transactions for the year.

Claims, holiday compensation costs and repatriation costs are accounted for when paid. Administrative costs and interest receivable are accounted for on an accruals basis.

Funds utilised represent the amount of the total funds received from the bond obligors which have been used to meet claims, other holiday costs and administration expenses during the year.

FTO TRUST FUND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

3 Best Travel Limited and Medchoice Holidays Limited

On 29 November 1994, Best Travel Limited was placed into administration. On 30 November 1994 the bond relating to Best Travel Limited was called from the obligors. The value of the bond was £225,000.

On 3 February 1995 Medchoice Holidays Limited went into liquidation. On 9 February 1995 the bond relating to Medchoice Holidays Limited was called from the obligors. The value of the bond was £10,800.

These bonds are available to pay

- holiday completion costs,
- repatriation costs,
- claims for refunds of amounts paid to Best Travel Limited and Medchoice Holidays Limited in respect of cancelled future holidays, and
- administration expenses.

The remaining members of the Federation of Tour Operators have undertaken to provide funds for the purpose of meeting the above costs to the extent such costs cannot be met by the obligor's bond. The combined value of these undertakings is £5,025,831.

4 Statement of funds received/(utilised) for the year ended 31 December 2006

	2006 £	2005 £
Bank interest receivable	8,755	8,606
Funds (utilised)/released	-	-
Net funds received	8,755	8,606
Funds brought forward	284,672	276,066
Funds available for future claims and expenses	293,427	284,672

The funds available for future claims and expenses comprise £285,117 for Best Travel Limited and £8,310 for Medchoice Holidays Limited.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

5 Remuneration of Directors

The Directors received no emoluments for their services as Directors during the year (2005 - £nil)

6 Staff Numbers and Costs

The Company did not employ any staff during the year

7 Taxation

The Company has no liability to taxation in respect of the year (2005 - £nil)

8 Debtors	2006	2005
	£	£
Prepayments and accrued income	-	-

9 Creditors: amounts falling due within one year	2006	2005
	£	£
Amounts unexpended, available for outstanding claims and expenses (see note 4)	293,427	284,672
Accruals and deferred income	-	-
	<u>293,427</u>	<u>284,672</u>

Although it is anticipated that certain amounts unexpended, available for outstanding claims and expenses may be retained beyond 31 December 2006 the directors cannot quantify the amount with any certainty Accordingly all such amounts are disclosed as amounts falling due within one year

Any bonded sum not expended by the Company in carrying out the bond administration has to be repaid to the obligor under the terms of the bond

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

10 Contingent Liabilities

There were no contingent liabilities at 31 December 2006 (2005 - £nil)

11 Capital Commitments

There were no capital commitments at 31 December 2006 (2005 - £nil)

12 Control

The Trust is controlled by the members of Federation of Tour Operators. The ultimate controlling parties are the subscribing members of the Federation of Tour Operators.

13 Related Party Disclosures

The Federation of Tour Operators, a company limited by guarantee to promote the interests of the subscribing members and the holiday industry as a whole, provided administrative assistance to the Trust for which the Federation incurred expenses of £2,420 (2005 - £8,932)

There were no balances outstanding between related parties at the year end (2005 - £nil)

FTO TRUST FUND LIMITED
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**STATEMENT OF FUNDS UTILISED CUMULATIVE
TO 31 DECEMBER 2006**

	Best Travel Limited £	Medchoice Holidays Limited £
Funds received from obligors	225,000	10,800
Bank interest	113,138	3,556
	<u>338,138</u>	<u>14,356</u>
Funds utilised		
Claims paid	25,757	140
Administrative expenses	27,264	5,906
	<u>53,021</u>	<u>6,046</u>
Total funds utilised		
	<u>285,117</u>	<u>8,310</u>
Funds available for future claims and expenses		
	<u>285,117</u>	<u>8,310</u>

This is a memorandum statement and does not form part of the audited Financial Statements