

BROCK TRAVEL LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH SEPTEMBER 1998

Registered Number: 1128484



HAYS ALLAN
CHARTERED ACCOUNTANTS

BROCK TRAVEL LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 1998

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BROCK TRAVEL LIMITED

DIRECTORS' REPORT

YEAR ENDED 30TH SEPTEMBER 1998

The directors present their annual report together with the audited financial statements for the year ended 30th September 1998.

REVIEW OF THE BUSINESS

The principal activity of the company throughout the year was that of a tour operator and parent undertaking. The principal activity of the subsidiary undertaking throughout the year was publishing.

The level of turnover increased to £4,593,465 (1997 £3,782,956) and the profit on ordinary activities before taxation has increased to £26,438 in 1998 (1997: loss £128,641).

The company had a successful year with the number of holidays sold increasing by over 10%.

The subsidiary undertaking had a disappointing year with magazine sales slipping. The major competition that they organise was also sponsored this year.

The directors feel confident regarding future prospects.

RESULTS AND DIVIDENDS

The profit for the financial year was £26,438 (1997: loss £128,641). The directors recommend that no dividend be paid.

DIRECTORS AND THEIR INTERESTS IN THE COMPANY

The directors of the company during the year and their interests in its share capital were:-

	Ordinary shares of £1 each	
	30th September 1998	30th September 1997
B.G. Brocklehurst	16,000	16,000
B.M. Brocklehurst	15,000	15,000
H.C. Constantine	5,000	5,000
A.T. Brocklehurst	-	-
T.P. Mertens	-	-

A.T. Brocklehurst has a beneficial interest in 7,000 ordinary shares of £1 each held by the W.S. Bristowe grandchildren's settlement.

YEAR 2000

We have been regularly reviewing and updating our systems to ensure that they are Year 2000 compliant.

Preparation for the millennium may require additional costs to be incurred but this is not expected to be material and the majority is acceleration of spend that would otherwise have taken place.

BROCK TRAVEL LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 30TH SEPTEMBER 1998

DIRECTORS' STATEMENT OF RESPONSIBILITIES

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

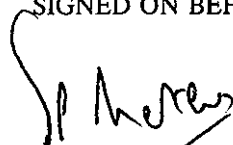
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare 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 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.

AUDITORS

A resolution to re-appoint Hays Allan as auditors will be presented to the members at the Annual General Meeting in accordance with Section 385(2) of the Companies Act 1985.

SIGNED ON BEHALF OF THE BOARD



T.P. MERTENS
Secretary

16th December 1998

AUDITORS' REPORT TO THE MEMBERS OF

BROCK TRAVEL LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

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 affairs of the company and the group as at 30th September 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Hays Allan
Chartered Accountants
Registered Auditors

Southampton House
317 High Holborn
London
WC1V 7NL

16th December 1998

BROCK TRAVEL LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH SEPTEMBER 1998

	Notes	£	1998 £	£	1997 £
TURNOVER	2		4,593,465		3,782,956
Cost of sales			3,321,900		2,649,468
GROSS PROFIT			<u>1,271,565</u>		<u>1,133,488</u>
Distribution costs		262,746		284,623	
Administrative expenses		1,249,475		1,031,569	
Exceptional research expenditure		-		122,487	
		<u>1,512,221</u>		<u>1,438,679</u>	
Other income	6	267,094		169,679	
			<u>1,245,127</u>		<u>1,269,000</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3		26,438		(135,512)
TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	7		6,515		6,871
RETAINED PROFIT/(LOSS) FOR THE YEAR	16		19,923		(128,641)
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD			463,249		617,729
Issue of share capital			-		(30,000)
Transfer from revaluation reserve	15		4,161		4,161
PROFIT AND LOSS ACCOUNT CARRIED FORWARD	16		<u>£487,333</u>		<u>£463,249</u>

Notes

- (i) All turnover is derived from the continuing operations of the business.
- (ii) Of the retained profit for the year a profit of £243 (1997: loss £147,590) is dealt with in the books of the parent undertaking.

(iii) Note of Historical Cost Profits and Losses	1998 £	1997 £
Reported profit/(loss) on ordinary activities before taxation	26,438	(135,512)
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the relevant amount	5,000	5,000
Historical cost profit/(loss) on ordinary activities before taxation	<u>£31,438</u>	<u>£(130,512)</u>
Historical cost profit/(loss) for the year retained after taxation	<u>£24,923</u>	<u>£(33,641)</u>

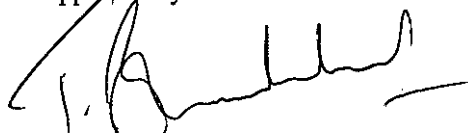
BROCK TRAVEL LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 30TH SEPTEMBER 1998

	Notes	1998		1997	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		218,930		213,581
CURRENT ASSETS					
Stocks	10	25,000		20,227	
Debtors	11	1,465,716		1,439,092	
Cash at bank and in hand		573,205		537,273	
		<u>2,063,921</u>		<u>1,996,592</u>	
CREDITORS: DUE WITHIN ONE YEAR	12	(1,671,299)		(1,644,138)	
NET CURRENT ASSETS			<u>392,622</u>		<u>352,454</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>611,552</u>		<u>566,035</u>
CREDITORS: DUE AFTER MORE THAN ONE YEAR	13		(62,540)		(36,946)
NET ASSETS			<u><u>£549,012</u></u>		<u><u>£529,089</u></u>
CAPITAL AND RESERVES					
Equity called up share capital	14		50,000		50,000
Revaluation reserve	15		11,679		15,840
Profit and loss account	16		487,333		463,249
Attributable to equity shareholders			<u><u>£549,012</u></u>		<u><u>£529,089</u></u>

Approved by the board of directors on 16th December 1998 and signed on their behalf by:


A.T. BROCKLEHURST
 Director

BROCK TRAVEL LIMITED

BALANCE SHEET

AS AT 30TH SEPTEMBER 1998

	Notes	£	1998 £	£	1997 £
FIXED ASSETS					
Tangible assets	8		89,655		109,708
Investment in group undertakings	9		8,340		8,340
			<u>97,995</u>		<u>118,048</u>
CURRENT ASSETS					
Debtors	11	1,135,979		1,083,451	
Cash at bank		544,964		304,064	
		<u>1,680,943</u>		<u>1,387,515</u>	
CREDITORS: DUE WITHIN ONE YEAR	12	1,754,653		(1,481,521)	
NET CURRENT ASSETS			<u>(73,710)</u>		<u>(94,006)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£24,285</u>		<u>£24,042</u>
CAPITAL AND RESERVES					
Equity called up share capital	14		50,000		50,000
Revaluation reserve	15		11,679		15,840
Profit and loss account	16		(37,394)		(41,798)
Attributable to equity shareholders			<u>£24,285</u>		<u>£24,042</u>

Approved by the board of directors on 16th December 1998 and signed on their behalf by:


A.T. BROCKLEHURST
 Director

BROCK TRAVEL LIMITED

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30TH SEPTEMBER 1998

	1998		1997	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		39,280		3,163
Returns on investments and servicing of finance				
Interest received	46,029		28,442	
Net cash inflow from returns on investments and servicing of finance		46,029		28,442
Taxation				
UK Corporation tax paid	-		(8,836)	
Net cash outflow from tax paid		-		(8,836)
Capital expenditure				
Payments to acquire tangible fixed assets	(49,377)		(67,984)	
Proceeds from sale of tangible fixed assets	-		3,600	
Net cash outflow from investing activities		(49,377)		(64,384)
Increase/(decrease) in cash		<u>£35,932</u>		<u>£(41,615)</u>

Notes to the cash flow statement

(i) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities		1998	1997
		£	£
Profit/(loss) on ordinary activities before taxation		23,047	(135,512)
Less interest receivable		(46,029)	(28,442)
Operating loss		(22,982)	(163,954)
Depreciation charges		44,028	39,766
(Profit) on sale of fixed assets		-	(3,600)
(Increase) in stocks		(4,773)	(11,037)
(Increase) in debtors		(23,233)	(216,573)
Increase in creditors		46,240	358,561
Net cash inflow/(outflow) from operating activities		<u>£39,280</u>	<u>£3,163</u>
(ii) Analysis of net funds		At 1st	At 30th
		October 1997	Cashflows September 1998
		£	£
Cash at bank and in hand		<u>£537,273</u>	<u>£573,205</u>

BROCK TRAVEL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH SEPTEMBER 1998**

1. ACCOUNTING POLICIES**(a) Basis of accounting**

The financial statements have been prepared on the historical cost basis as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

(b) Basis of consolidation

The group financial statements comprise the financial statements of the parent company and all its subsidiaries. Each company made up its financial statements to 30th September 1998. No profit and loss account is presented for Brock Travel Limited as provided by S230 of the Companies Act 1985.

(c) Depreciation

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives by equal annual instalments at varying rates between 2% and 25%.

(d) Stocks

Stocks and work in progress of a subsidiary undertaking are valued at the lower of cost and net realisable value.

(e) Goodwill

Goodwill on acquisition of subsidiary undertaking is written off directly to reserves.

(f) Subscriptions

Subscriptions received by a subsidiary undertaking are accrued evenly throughout the year.

(g) Deferred taxation

Provision is made for deferred taxation using the liability method in respect of all material timing differences other than those which are expected to continue for the foreseeable future.

2. TURNOVER AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Group turnover represents the value of all goods and services charged by the parent undertaking and its trading subsidiary.

	1998		1997	
	Turnover £	Profit £	Turnover £	(Loss)/ profit £
Contributed by area of activity				
Tour operating	3,643,684	9,399	2,814,279	(153,388)
Magazine publishing	949,781	17,039	968,677	7,876
	<u>£4,593,465</u>	<u>£26,438</u>	<u>£3,782,956</u>	<u>£(145,512)</u>
Contributed by geographical area				
British Isles	<u>£4,593,465</u>	<u>£26,438</u>	<u>£3,782,956</u>	<u>£(145,512)</u>

BROCK TRAVEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH SEPTEMBER 1998

3.	PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	1998	1997
		£	£
	Profit/(loss) on ordinary activities before taxation is stated after charging:		
	Directors' remuneration (note 5)	217,268	230,596
	Depreciation	44,028	39,766
	Auditors' remuneration	15,250	15,250
		<u> </u>	<u> </u>
4.	EMPLOYEES		
	Staff costs:-		
	Wages and salaries	542,911	476,491
	Social security costs	53,573	52,706
	Pension contributions	34,028	30,515
		<u>£630,512</u>	<u>£559,712</u>
		<u> </u>	<u> </u>
	The average number of employees during the year was:	27	26
		<u> </u>	<u> </u>
5.	DIRECTORS' REMUNERATION		
	Emoluments (including benefits-in-kind)	197,625	213,694
	Pension contributions	19,643	16,902
		<u>£217,268</u>	<u>£230,596</u>
		<u> </u>	<u> </u>
	Emoluments of the the highest paid director	<u>£50,570</u>	<u>£41,624</u>
		<u> </u>	<u> </u>
	Four directors have benefits accruing to money purchase schemes.		
6.	OTHER INCOME		
	Bank interest receivable	46,029	28,442
	Net marketing and sponsorship income	221,065	141,237
		<u>£267,094</u>	<u>£169,679</u>
		<u> </u>	<u> </u>
7.	TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	1998	1997
		£	£
	The taxation charge which is based on profits for the year is made up as follows:		
	U.K. Corporation tax (at 25%)	6,515	(6,407)
	Overprovision in prior years	-	(464)
		<u>£6,515</u>	<u>£(6,871)</u>
		<u> </u>	<u> </u>

No provision has been made for taxation of approximately £81,000 (1997 £81,000) which would become payable should the reserves of Isle of Man subsidiaries be distributed to the holding company.

BROCK TRAVEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30TH SEPTEMBER 1998

8. TANGIBLE FIXED ASSETS					
a) GROUP	Freehold property £	Motor vessels £	Motor vehicles £	Furniture and fittings £	Total £
COST/REVALUATION					
At 1st October 1997	143,000	95,629	31,500	184,925	455,054
Additions	-	-	3,713	45,664	49,377
Elimination	-	-	(21,000)	(21,463)	(42,463)
At 30th September 1998	143,000	95,629	14,213	209,126	461,968
DEPRECIATION					
At 1st October 1997	48,020	83,345	31,500	78,608	241,473
Amount provided	6,860	12,284	930	23,954	44,028
Elimination	-	-	(21,000)	(21,463)	(42,463)
At 30th September 1998	54,880	95,629	11,430	81,099	243,038
NET BOOK VALUE					
At 30th September 1998	£88,120	£ -	£2,783	£128,027	£218,930
At 30th September 1997	£94,980	£12,284	£ -	£106,317	£213,581
b) PARENT UNDERTAKING					
COST/REVALUATION					
At 1st October 1997	143,000	95,629	31,500	38,859	308,988
Additions	-	-	-	-	-
Eliminations	-	-	(21,000)	(21,463)	(42,463)
At 30th September 1998	143,000	95,629	10,500	17,396	266,525
DEPRECIATION					
At 1st October 1997	48,020	83,345	31,500	36,415	199,280
Amount provided	6,860	12,284	-	909	20,053
Eliminations	-	-	(21,000)	(21,463)	(42,463)
At 30th September 1998	54,880	95,629	10,500	15,861	176,870
NET BOOK VALUE					
At 30th September 1998	£88,120	£ -	£ -	£1,535	£89,655
At 30th September 1997	£94,980	£12,284	£ -	£2,444	£109,708

One freehold property held at 30th September 1991 was revalued to £50,000 on that date, by the directors, on the basis of open market value with existing use. Since there is no intention of selling the revalued asset no provision for deferred tax on the potential liability to taxation has been made.

Under historical cost accounting the balance sheet values for freehold property would be as follows:

COST		£
At 1st October 1997 and 30th September 1998		126,564
DEPRECIATION		
At 1st October 1997		46,584
Charge for year		1,860
At 30th September 1998		48,444
NET BOOK VALUE		
At 30th September 1998		£78,120
At 30th September 1997		£79,980

BROCK TRAVEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH SEPTEMBER 1998

9. INVESTMENT IN SUBSIDIARIES

Company
£

Cost and net book value at
30th September 1997 and 1998

£8,340

	Nature of business	Country of incorporation/ registration	Share capital and reserves at 30.9.98	Profit for year ended 30.9.98
--	--------------------------	----------------------------------------------	---------------------------------------------	-------------------------------------

Brock Travel Limited has a 100% direct
interest in the following subsidiaries:-

Sporting Magazines and Publishers
Limited

Publishing

England

£280,128

£17,039

Cricketer Holidays Limited (dormant)

Travel

England

£2,000

-

Special Places Limited (dormant)

Travel

England

£2

-

Brock Travel Limited has a 100%
indirect interest in the following
subsidiaries

T.T.P. Limited (dormant)

Travel

Isle of Man

Paul Gelling Travel Limited (dormant)

Travel

Isle of Man

The Cricketer Limited (dormant)

Publishing

England

All the above subsidiaries are included in the consolidation.

The cumulative amount of goodwill which arose on the acquisition of the above subsidiaries and which has
been written off to consolidated reserves is £32,617.

10. STOCKS

Group

1998
£

1997
£

Goods for resale

£25,000

£20,227

11. DEBTORS

Group

1998
£

1997
£

Company

1998
£

1997
£

Trade debtors

1,226,152

1,219,320

953,772

947,124

Other debtors

57,994

10,420

53,813

9,630

Prepayments and deferred expenditure

181,570

202,945

128,394

121,040

Corporation tax recoverable

-

6,407

-

5,657

£1,465,716

£1,439,092

£1,135,979

£1,083,451

Included in trade debtors at 30th September 1998 is an interest-free loan of £40,000 (1997: £42,264) due
from a son of B.G. Brocklehurst, a director. This is included in both company and group figures.

BROCK TRAVEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 30TH SEPTEMBER 1998

12.	CREDITORS: DUE WITHIN ONE YEAR	Group	Company		
		1998 £	1997 £	1998 £	1997 £
	Trade creditors	209,954	226,187	178,475	109,515
	Corporation tax	6,515	-	6,515	-
	Loans	1,600	1,600	1,600	1,600
	Amounts owed to group undertakings	-	-	419,140	263,292
	Other creditors	33	1,521	91	1,288
	Other taxes and social security payments	17,272	14,828	13,804	11,378
	Deferred income	1,398,158	1,361,907	1,119,588	1,074,638
	Accruals	37,767	38,095	15,440	19,810
		<u>£1,671,299</u>	<u>£1,644,138</u>	<u>£1,754,653</u>	<u>£1,481,521</u>
13.	CREDITORS: DUE AFTER MORE THAN ONE YEAR				
	Deferred income	<u>£62,540</u>	<u>£36,946</u>	<u>£ -</u>	<u>£ -</u>
14.	EQUITY CALLED UP SHARE CAPITAL	Authorised		Issued and fully paid	
		1998	1997	1998	1997
	Ordinary shares of £1 each	<u>£50,000</u>	<u>£50,000</u>	<u>£50,000</u>	<u>£50,000</u>
15.	REVALUATION RESERVE			Group	Company
				£	£
	Balance at 1st October 1997			15,840	15,840
	Transfer to profit and loss account			(4,161)	(4,161)
	Balance at 30th September 1998			<u>£11,679</u>	<u>£11,679</u>
16.	PROFIT AND LOSS ACCOUNT				
	Balance at 1st October 1997			463,249	(41,798)
	Retained profit for the year			19,923	243
	Transfer from revaluation reserve			4,161	4,161
	Balance at 30th September 1998			<u>£487,333</u>	<u>£(37,394)</u>
17.	PENSION COSTS				
	The company contributes to various pension schemes for its own employees and those of its subsidiary Retirement benefits are based on money purchase plans. The premiums are charged to the profit and loss account as they fall due and are shown in note 4.				
18.	CAA BOND				