

**BROCK TRAVEL LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30TH SEPTEMBER 1997**

Registered Number: 1128484



**BROCK TRAVEL LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 30TH SEPTEMBER 1997**

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# **BROCK TRAVEL LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 30TH SEPTEMBER 1997**

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The directors present their annual report together with the audited financial statements for the year ended 30th September 1997.

### **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 decreased to £3,782,956 (1996 £3,595,258) and the profit on ordinary activities before taxation has decreased to a loss of £135,512 in 1997 (1996: profit £24,316).

The company had a reasonable year with the number of holidays sold in the Winter and Summer Programmes approximately the same as the previous year.

Exceptional research expenditure of £122,487 has been incurred for research work done in setting up holidays in Cuba. This charge should be covered by additional profit earned in the next financial year.

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 the future prospects of local activities.

### **RESULTS AND DIVIDENDS**

The loss for the financial year was £128,641 (1996: profit £15,799). 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 1997	30th September 1996
B.G. Brocklehurst	16,000	6,400
B.M. Brocklehurst	15,000	6,000
H.C. Constantine	5,000	2,000
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.

# **BROCK TRAVEL LIMITED**

## **DIRECTORS' REPORT (continued)**

**YEAR ENDED 30TH SEPTEMBER 1997**

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### **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

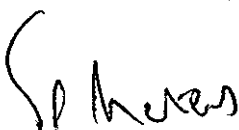
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare 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 1997

# AUDITORS' REPORT TO THE MEMBERS OF

## BROCK TRAVEL LIMITED

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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.

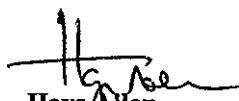
### Basis of opinion

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 1997 and of its loss 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 1997

**BROCK TRAVEL LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 30TH SEPTEMBER 1997**

	Notes	£	1997 £	£	1996 £
<b>TURNOVER</b>	2		3,782,956		3,595,258
Cost of sales			2,649,468		2,508,231
<b>GROSS PROFIT</b>			<u>1,133,488</u>		<u>1,087,027</u>
Distribution costs		284,623		254,013	
Administrative expenses		1,031,569		979,325	
Exceptional research expenditure	7	122,487		-	
		<u>1,438,679</u>		<u>1,233,338</u>	
Other income	6	169,679		170,627	
			<u>1,269,000</u>		<u>1,062,711</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3		(135,512)		24,316
<b>TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES</b>	8		6,871		8,517
<b>RETAINED (LOSS)/PROFIT FOR THE YEAR</b>	17		(128,641)		15,799
<b>PROFIT AND LOSS ACCOUNT BROUGHT FORWARD</b>			617,729		597,769
Issue of share capital	15		(30,000)		-
Transfer from revaluation reserve	16		4,161		4,161
<b>PROFIT AND LOSS ACCOUNT CARRIED FORWARD</b>	17		<u>£463,249</u>		<u>£617,729</u>

**Notes**

(i)	All turnover is derived from the continuing operations of the business.		
(ii)	Of the retained profit for the year a loss of £147,590 (1996: £4,180) is dealt with in the books of the parent undertaking.		
(iii)	Note of Historical Cost Profits and Losses	<b>1997 £</b>	<b>1996 £</b>
	Reported (loss)/profit on ordinary activities before taxation	(135,512)	24,316
	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 (loss)/profit on ordinary activities before taxation	<u>£(130,512)</u>	<u>£29,316</u>
	Historical cost (loss)/profit for the year retained after taxation	<u>£(33,641)</u>	<u>£20,799</u>

**BROCK TRAVEL LIMITED**

**CONSOLIDATED BALANCE SHEET**

**AS AT 30TH SEPTEMBER 1997**

	Notes	1997	1996
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	9	213,581	185,363
<b>CURRENT ASSETS</b>			
Stocks	11	20,227	9,190
Debtors	12	1,439,092	1,216,112
Cash at bank and in hand		537,273	578,888
		<u>1,996,592</u>	<u>1,804,190</u>
<b>CREDITORS: DUE WITHIN ONE YEAR</b>	13	<u>(1,644,138)</u>	<u>(1,266,844)</u>
<b>NET CURRENT ASSETS</b>		<u>352,454</u>	<u>537,346</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>566,035</u>	<u>722,709</u>
<b>CREDITORS: DUE AFTER MORE THAN ONE YEAR</b>	14	<u>(36,946)</u>	<u>(64,979)</u>
<b>NET ASSETS</b>		<u><u>£529,089</u></u>	<u><u>£657,730</u></u>
<b>CAPITAL AND RESERVES</b>			
Equity called up share capital	15	50,000	20,000
Revaluation reserve	16	15,840	20,001
Profit and loss account	17	463,249	617,729
<b>Attributable to equity shareholders</b>		<u><u>£529,089</u></u>	<u><u>£657,730</u></u>

Approved by the board of directors on 16th December 1997 and signed on their behalf by:



**B.G. BROCKLEHURST**  
Director

**BROCK TRAVEL LIMITED**

**BALANCE SHEET**

**AS AT 30TH SEPTEMBER 1997**

	Notes	£	1997 £	£	1996 £
<b>FIXED ASSETS</b>					
Tangible assets	9		109,708		129,842
Investment in group undertakings	10		8,340		8,340
			<u>118,048</u>		<u>138,182</u>
<b>CURRENT ASSETS</b>					
Debtors	12	1,083,451		953,479	
Cash at bank		304,064		347,044	
		<u>1,387,515</u>		<u>1,300,523</u>	
<b>CREDITORS: DUE WITHIN ONE YEAR</b>	13	(1,481,521)		(1,267,073)	
<b>NET CURRENT ASSETS</b>			<u>(94,006)</u>		<u>33,450</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>£24,042</u>		<u>£171,632</u>
<b>CAPITAL AND RESERVES</b>					
Equity called up share capital	15		50,000		20,000
Revaluation reserve	16		15,840		20,001
Profit and loss account	17		(41,798)		131,631
<b>Attributable to equity shareholders</b>			<u>£24,042</u>		<u>£171,632</u>

Approved by the board of directors on 16th December 1997 and signed on their behalf by:

  
**B.G. BROCKLEHURST**  
 Director



**BROCK TRAVEL LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT**

**YEAR ENDED 30TH SEPTEMBER 1997**

	£	1997 £	£	1996 £
Net cash inflow/(outflow) from operating activities		3,163		(90,588)
Returns on investments and servicing of finance				
Interest received	28,442		31,840	
Net cash inflow from returns on investments and servicing of finance		28,442		31,840
Taxation				
UK Corporation tax paid	(8,836)		(11,312)	
Overseas tax paid	-		(105)	
Net cash outflow from tax paid		(8,836)		(11,417)
Capital expenditure				
Payments to acquire tangible fixed assets	(67,984)		(29,212)	
Proceeds from sale of tangible fixed assets	3,600		2,100	
Net cash outflow from investing activities		(64,384)		(27,112)
Decrease in cash		£(41,615)		£(97,277)

**Notes to the cash flow statement**

(i)	Reconciliation of operating (loss)/profit to net cash inflow/(outflow) from operating activities	1997 £	1996 £
	(Loss)/profit on ordinary activities before taxation	(135,512)	24,316
	Less interest receivable	(28,442)	(31,840)
	Operating loss	(163,954)	(7,524)
	Depreciation charges	39,766	37,174
	(Profit)/loss on sale of fixed assets	(3,600)	400
	Increase in stocks	(11,037)	(213)
	(Increase)/decrease in debtors	(216,573)	59,176
	Increase/(decrease) in creditors	358,561	(179,601)
	Net cash inflow/(outflow) from operating activities	£3,163	£(90,588)
(ii)	Analysis of net funds	At 1st October 1996 £	Cashflows £
	Cash at bank and in hand	£578,888	£(41,615)
			At 30th September 1997 £
			£537,273

**BROCK TRAVEL LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH SEPTEMBER 1997**

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**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 1997. 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.

	1997		1996	
	Turnover £	(Loss)/ profit £	Turnover £	Profit £
Contributed by area of activity				
Tour operating	2,814,279	(153,388)	2,605,288	8,577
Magazine publishing	968,677	7,876	989,970	15,739
	<u>£3,782,956</u>	<u>£(145,512)</u>	<u>£3,595,258</u>	<u>£24,316</u>
Contributed by geographical area				
British Isles	<u>£3,782,956</u>	<u>£(145,512)</u>	<u>£3,595,258</u>	<u>£24,316</u>

**BROCK TRAVEL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 30TH SEPTEMBER 1997**

<b>3. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>1997 £</b>	<b>1996 £</b>
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Directors' remuneration (note 5)	230,596	242,763
Depreciation	39,766	37,175
Auditors' remuneration	15,250	15,000
	<u>          </u>	<u>          </u>
<b>4. EMPLOYEES</b>		
Staff costs:-		
Wages and salaries	476,491	470,542
Social security costs	52,706	48,234
Pension contributions	30,515	39,771
	<u>£559,712</u>	<u>£558,547</u>
	<u>          </u>	<u>          </u>
The average number of employees during the year was:	26	25
	<u>          </u>	<u>          </u>
<b>5. DIRECTORS' REMUNERATION</b>		
Emoluments (including benefits-in-kind)	213,694	217,869
Pension contributions	16,902	43,771
	<u>£230,596</u>	<u>£261,640</u>
	<u>          </u>	<u>          </u>
Emoluments of the the highest paid director	<u>£41,624</u>	<u>£61,868</u>
	<u>          </u>	<u>          </u>
Four directors have benefits accruing to money purchase schemes.		
<b>6. OTHER INCOME</b>		
Bank interest receivable	28,442	31,840
Net marketing and sponsorship income	141,057	138,787
	<u>£169,499</u>	<u>£170,627</u>
	<u>          </u>	<u>          </u>
<b>7. EXCEPTIONAL RESEARCH EXPENDITURE</b>		
Costs totalling £122,487 have been written off during the year. These costs relate to research work in setting up holidays in Cuba.		
<b>8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>1997 £</b>	<b>1996 £</b>
The taxation charge which is based on profits for the year is made up as follows:		
U.K. Corporation tax (at 25%)	(6,407)	9,300
Overseas taxation	-	105
Overprovision in prior years	(464)	(888)
	<u>£(6,871)</u>	<u>£8,517</u>
	<u>          </u>	<u>          </u>

No provision has been made for taxation of approximately £81,000 (1996 £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 1997**

**9. TANGIBLE FIXED ASSETS**

a)	<b>GROUP</b>	<b>Freehold property £</b>	<b>Motor vessels £</b>	<b>Motor vehicles £</b>	<b>Furniture and fittings £</b>	<b>Total £</b>
	<b>COST/REVALUATION</b>					
	At 1st October 1996	143,000	95,629	42,721	116,941	398,291
	Additions	-	-	-	67,984	67,984
	Elimination	-	-	(11,221)	-	(11,221)
	At 30th September 1997	143,000	95,629	31,500	184,925	455,054
	<b>DEPRECIATION</b>					
	At 1st October 1996	41,160	73,745	37,471	60,552	212,928
	Amount provided	6,860	9,600	5,250	18,056	39,766
	Elimination	-	-	(11,221)	-	(11,221)
	At 30th September 1997	48,020	83,345	31,500	78,608	241,473
	<b>NET BOOK VALUE</b>					
	At 30th September 1997	£94,980	£12,284	£ -	£106,317	£213,581
	At 30th September 1996	£101,840	£21,884	£5,250	£56,389	£185,363
b)	<b>PARENT UNDERTAKING</b>					
	<b>COST/REVALUATION</b>					
	At 1st October 1996	143,000	95,629	42,721	35,785	317,135
	Additions	-	-	-	3,074	3,074
	Eliminations	-	-	(11,221)	-	(11,221)
	At 30th September 1997	143,000	95,629	31,500	38,859	308,988
	<b>DEPRECIATION</b>					
	At 1st October 1996	41,160	73,745	37,471	34,917	187,293
	Amount provided	6,860	9,600	5,250	1,498	23,208
	Eliminations	-	-	(11,221)	-	(11,221)
	At 30th September 1997	48,020	83,345	31,500	36,415	199,280
	<b>NET BOOK VALUE</b>					
	At 30th September 1997	£94,980	£12,284	£ -	£2,444	£109,708
	At 30th September 1996	£101,840	£21,884	£5,250	£868	£129,842

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:

	<b>£</b>
<b>COST</b>	
At 1st October 1996 and 30th September 1997	126,564
<b>DEPRECIATION</b>	
At 1st October 1996	44,724
Charge for year	1,860
At 30th September 1997	46,584
<b>NET BOOK VALUE</b>	
At 30th September 1997	£79,980
At 30th September 1996	£81,840

**BROCK TRAVEL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 30TH SEPTEMBER 1997**

**10. INVESTMENT IN SUBSIDIARIES**

**Company  
£**

Cost and net book value at  
30th September 1996 and 1997

**£8,340**

	<b>Nature of business</b>	<b>Country of incorporation/ registration</b>	<b>Share capital and reserves at 30.9.97</b>	<b>Profit for year ended 30.9.97</b>
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**Brock Travel Limited has a 100% direct  
interest in the following subsidiaries:-**

Sporting Magazines and Publishers Limited	Publishing	England	£263,089	£18,947
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.

**11. STOCKS**

**Group**

**1997  
£**

**1996  
£**

Goods for resale

**£20,227**

**£9,190**

**12. DEBTORS**

**Group**

**Company**

**1997  
£**

**1996  
£**

**1997  
£**

**1996  
£**

Trade debtors	1,219,320	1,050,443	947,124	838,759
Other debtors	10,420	9,813	9,630	7,685
Prepayments and deferred expenditure	202,945	155,856	121,040	107,035
Corporation tax recoverable	6,407	-	5,657	-
	<b>£1,439,092</b>	<b>£1,216,117</b>	<b>£1,083,451</b>	<b>£933,479</b>

Included in trade debtors at 30th September 1997 and 1996 is a interest-free loan of £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 1997**

13. CREDITORS: DUE WITHIN ONE YEAR	Group		Company	
	1997 £	1996 £	1997 £	1996 £
Trade creditors	226,187	138,295	109,515	121,160
Corporation tax	-	9,300	-	5,800
Loans	1,600	1,600	1,600	1,600
Amounts owed to group undertakings	-	-	263,292	332,485
Other creditors	1,521	234	1,288	-
Other taxes and social security payments	14,828	14,805	11,378	11,620
Deferred income	1,361,907	1,070,910	1,074,638	773,394
Accruals	38,095	31,700	19,810	21,014
	<u>£1,644,138</u>	<u>£1,266,844</u>	<u>£1,481,521</u>	<u>£1,267,073</u>

**14. CREDITORS: DUE AFTER MORE THAN ONE YEAR**

Deferred income	<u>£36,946</u>	<u>£64,979</u>	<u>£ -</u>	<u>£ -</u>
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15. EQUITY CALLED UP SHARE CAPITAL	Authorised		Issued and fully paid	
	1997	1996	1997	1996
Ordinary shares of £1 each	<u>£50,000</u>	<u>£20,000</u>	<u>£50,000</u>	<u>£20,000</u>

On 5th December 1996 the Authorised and Issue Share Capital of Brock Travel Limited was increased from £20,000 to £50,000. The shares were issued as a bonus issue on a pro rata basis to existing shareholders.

16. REVALUATION RESERVE	Group	Company
	£	£
Balance at 1st October 1996	20,001	20,001
Transfer to profit and loss account	(4,161)	(4,161)
Balance at 30th September 1997	<u>£15,840</u>	<u>£15,840</u>

**17. PROFIT AND LOSS ACCOUNT**

Balance at 1st October 1996	617,729	131,631
Issue of share capital	(30,000)	(30,000)
Retained loss for the year	(128,641)	(147,590)
Transfer from revaluation reserve	4,161	4,161
Balance at 30th September 1997	<u>£463,249</u>	<u>£(41,798)</u>

**18. 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.

**19. CAA BOND**

The Directors decided that for the period of the Travel Bond provided to CAA from 1st April 1997 to 31st March 1998 that this Bond should again be provided through Barclays Bank, Tunbridge Wells. Barclays continue to hold a Deed of Charge over a Bank Account and also a debenture on the assets of the company.

This will be reviewed each year in December.