

1456086 (England and Wales)

INTATRavel GROUP PLC
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1996

AMENDED



INTATRAVEL GROUP PLC

DIRECTORS

R.J. Moore
S.T. Moore
C.M. Sharman

SECRETARY

S.T. Moore

COMPANY NUMBER

1456086 (England and Wales)

REGISTERED OFFICE

Johnston House
8 Johnston Road
Woodford Green
Essex IG8 OXA

AUDITORS

Haslers
Johnston House
8 Johnston Road
Woodford Green
Essex IG8 OXA

PRINCIPAL BANKERS

Trustee Savings Bank plc
St Mary's Court
20 St Mary at Hill
London EC3R 8NA

INTATRAVEL GROUP PLC

INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

	Page
Chairman's Report	1
Directors' Report	2 - 3
Auditors' Report	4
Consolidated Profit and Loss Account	5
Consolidated Balance Sheet	6
Company Balance Sheet	7
Cash Flow Statement	8 - 9
Notes to the Financial Statements	10 - 21

INTATRAVEL GROUP PLC

REPORT OF THE CHAIRMAN

The group again produced excellent results during the financial year. This achievement illustrates the strength of a medium sized independent travel agency to react to changing market conditions to its advantage.

Since the end of the financial year, the group has negotiated significantly improved bank facilities which will enhance working capital and provide adequate funds for controlled expansion should the group so require.

The turnover of the group decreased marginally to £4.98 million (1995 £5.24 million). Operating profit increased to £389,094 (1995 £247,197) reflecting the considerably reduced overheads resulting in the profit on ordinary activities before taxation increasing to £263,867 (1995 £143,636). Retained profits for the year amount to £141,586 (1995 (£82,859)).

The current financial year has started very strongly indeed and the volume of reservations is considerably higher than the previous year. Strong volumes are usually accompanied by pressure on margins but, taking the two factors together, the directors are confident that the current year will show very satisfactory results.



.....
Chairman
R J MOORE

21st February 1997

INTATRAVEL GROUP PLC

REPORT OF THE DIRECTORS

The directors present their report and the consolidated financial statements of the group for the year ended 31 October 1996.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the group for the year under review continued to be that of travel agents.

The results for the year, financial position of the group, and recommended transfer to reserves are as shown in the annexed financial statements.

The progress of the group during the year accorded with expectations and the position at the end of the year is regarded as satisfactory.

No significant changes in the future development of the group are proposed nor has there occurred since the end of the year any event of such significance that reference to it should be made in this report.

RESULTS AND DIVIDENDS

The results for the year are set out on page 5.

The directors do not recommend payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their beneficial interests in the share capital of the company were as stated below.

		1996 Number	1995 Number
R.J. Moore	Ordinary shares of £1 each	338,224	338,224
S.T. Moore	Ordinary shares of £1 each	106,776	106,776
C.M. Sharman	Ordinary shares of £1 each	-	-

PAYMENT POLICY FOR CREDITORS

The group does not follow a standard payment policy due to the fact that the type of creditors vary so much. Generally operator creditors are paid as and when demanded, usually by direct debit or CHAPS transfer. Other expense creditors are, on average paid within 60-90 days.

AUDITORS

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

INTATRAVEL GROUP PLC

REPORT OF THE DIRECTORS' (CONTINUED)

DIRECTORS' 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 both the group and the company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group or 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 both the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board

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Director

21st February 1997

R J MOORE

INTATRavel GROUP PLC

AUDITORS' REPORT
TO THE SHAREHOLDERS OF INTATRavel GROUP PLC

We have audited the financial statements on pages 5 to 21 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 3 the 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 group and company's affairs as at 31 October 1996 and of the groups profit and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



.....
HASLERS
Chartered Accountants
Registered Auditor

Date:.. 21ST FEBRUARY 1997

Johnston House
8 Johnston Road
Woodford Green
Essex IG8 OXA

INTATRavel GROUP PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 1996

	Notes	1996 £	1995 £
TURNOVER	2	4,976,229	5,241,768
DISTRIBUTION COSTS		(218,299)	(301,369)
ADMINISTRATIVE EXPENSES		(4,391,199)	(4,790,923)
OTHER OPERATING INCOME		22,363	97,721
OPERATING PROFIT	3	389,094	247,197
Other interest receivable and similar income	4	16,651	55,903
Interest payable and similar charges	5	(141,878)	(159,464)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		263,867	143,636
Tax on profit on ordinary activities	6	(122,281)	(115,270)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		141,586	28,366
Dividends	7	-	(111,225)
RETAINED PROFIT FOR THE FINANCIAL YEAR	17	£ 141,586	£ (82,859)

In accordance with the exemption allowed under S230 Companies Act 1985, the profit and loss account of Intatravel Group PLC is not separately presented. The retained profit dealt with in the separate profit and loss account is £132,171 (1995 £(33,847)).

There are no recognised gains and losses other than those passing through the profit and loss account.

INTATRAVEL GROUP PLC


CONSOLIDATED BALANCE SHEET AT 31 OCTOBER 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	9	2,232,923	2,375,336
Investments	10	20,000	20,000
		<u>2,252,923</u>	<u>2,395,336</u>
CURRENT ASSETS			
Debtors	11	2,783,553	2,881,103
Cash at bank and in hand		460	1,778
		<u>2,784,013</u>	<u>2,882,881</u>
CREDITORS: amounts falling due within one year	12	(3,358,738)	(3,430,647)
NET CURRENT LIABILITIES		<u>(574,725)</u>	<u>(547,766)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,678,198</u>	<u>1,847,570</u>
CREDITORS: amounts falling due after more than one year	13	(611,333)	(961,741)
PROVISION FOR LIABILITIES AND CHARGES	14	(464,450)	(425,000)
		<u>£ 602,415</u>	<u>£ 460,829</u>
CAPITAL AND RESERVES			
Called up share capital	16	445,000	445,000
Profit and loss account	17	157,415	15,829
SHAREHOLDERS' FUNDS	18	<u>£ 602,415</u>	<u>£ 460,829</u>

The financial statements were approved by the Board on 21st February 1997.

.....

 Director
 R J MOORE

.....

 Director
 C M SHARMAN

INTATRAVEL GROUP PLC

COMPANY BALANCE SHEET AT 31 OCTOBER 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	8	2,024,539	2,174,951
Investments	10	345,000	345,000
		<u>2,369,539</u>	<u>2,519,951</u>
CURRENT ASSETS			
Debtors	11	2,419,919	2,459,854
Cash at bank and in hand		260	1,355
		<u>2,420,179</u>	<u>2,461,209</u>
CREDITORS: amounts falling due within one year	12	(3,025,626)	(3,039,977)
NET CURRENT LIABILITIES		<u>(605,447)</u>	<u>(578,768)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,764,092</u>	<u>1,941,183</u>
CREDITORS: amounts falling due after more than one year	13	(487,432)	(835,694)
PROVISION FOR LIABILITIES AND CHARGES	14	(461,000)	(422,000)
		<u>£ 815,660</u>	<u>£ 683,489</u>
CAPITAL AND RESERVES			
Called up share capital	16	445,000	445,000
Profit and loss account	17	370,660	238,489
SHAREHOLDERS' FUNDS	18	<u>£ 815,660</u>	<u>£ 683,489</u>

The financial statements were approved by the Board on 21st February 1997.

.....
 Director
 R J MOORE

.....
 Director
 C M SHARMAN

INTATRAVEL GROUP PLC

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 1996**

	1996		1995	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		259,652		712,549
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	16,651		55,903	
Interest paid	(141,878)		(159,464)	
Dividends paid	-		(111,225)	
	<hr/>		<hr/>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(125,227)		(214,786)
TAXATION				
Corporation tax paid (including advance corporation tax)	(51,825)		(26,271)	
	<hr/>		<hr/>	
TAX PAID		(51,825)		(26,271)
INVESTING ACTIVITIES				
Payments to acquire tangible assets	(58,695)		(355,697)	
Receipts from sales of tangible assets	15,050		77,380	
	<hr/>		<hr/>	
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(43,645)		(278,317)
		<hr/>		<hr/>
NET CASH INFLOW BEFORE FINANCING		38,955		193,175
FINANCING				
Repayment of long term bank loan	(380,150)		(375,287)	
Repayment of other long term loans	(147,000)		-	
Capital element of hire purchase contracts	(25,441)		87,874	
	<hr/>		<hr/>	
NET CASH OUTFLOW FROM FINANCING		(552,591)		(287,413)
		<hr/>		<hr/>
DECREASE IN CASH AND CASH EQUIVALENTS		£ (513,636)		£ (94,238)
		<hr/>		<hr/>

INTATRAVEL GROUP PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 1996

1	RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES	1996 £	1995 £	
	Operating profit	389,094	247,197	
	Depreciation of tangible assets	194,442	220,216	
	Amortisation of intangible assets	-	53,054	
	(Profit)/Loss on disposal of tangible assets	(8,384)	15,913	
	Decrease in debtors	69,744	213,941	
	Decrease in creditors due within one year	(385,244)	(37,772)	
	NET CASH INFLOW FROM OPERATING ACTIVITIES	£ 259,652	£ 712,549	
2	ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR	1996 £	1995 £	
	Balance at 1 November 1995	(112,863)	(18,625)	
	Net cash outflow	(513,636)	(94,238)	
	Balance at 31 October 1996	£ (626,499)	£ (112,863)	
3	ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET	1996 £	1995 £	Change in year £
	Cash at bank and in hand	460	1,778	(1,318)
	Bank overdrafts	(626,959)	(114,641)	(512,318)
		£ (626,499)	£ (112,863)	£ (513,636)
4	ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR		Share capital £	Loans and finance lease obligations £
	Balance at 1 November 1995		445,000	1,365,580
	Cash in/outflow from financing		-	(552,591)
	Balance at 31 October 1996		£ 445,000	£ 812,989

INTATRavel GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

1. ACCOUNTING POLICIES

1.1 ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

1.2 CONSOLIDATION

The group accounts incorporate the accounts of Intatravel Group and its subsidiaries made up to 31 October 1996.

1.3 TURNOVER

Turnover represents the net total of commissions receivable on sales of tours and other travel related products.

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	-	As stated below
Fixtures, fittings and equipment	-	10% and 15% straight line
Motor vehicles	-	25% Straight line

No depreciation is provided in respect of freehold properties as in the opinion of the directors their residual value exceeds their book value. Leasehold properties and improvements are amortised over the period of the lease or ten years, whichever is the greater, as it is considered that those leases of less than ten years will be renewed. No amortisation is charged in the first two years to reflect the maturing of the shops during that period, and the cost is written off evenly over the remaining period. Repairs and redecorations are written off as incurred.

1.5 LEASING AND HIRE PURCHASE COMMITMENTS

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

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the policy stated above. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

INTATRAVEL GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

1.7 PENSIONS

The pension costs charged in the financial statements represent the contributions payable by the group during the year in accordance with SSAP 24.

1.8 DEFERRED TAXATION

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

2. TURNOVER

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the U.K.

3. OPERATING PROFIT

	1996 £	1995 £
Operating profit is stated after charging:		
Depreciation of intangible assets	-	53,054
Depreciation of tangible assets	194,442	220,216
Hire of plant and machinery	58,444	80,381
Operating lease rentals		
- Plant and machinery	2,268	18,141
- Land and buildings	786,649	753,968
Auditor's remuneration	34,994	40,236
and after crediting:		
Rents receivable	22,363	22,721

4. INCOME FROM INVESTMENTS AND OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	1996 £	1995 £
Bank interest receivable	16,651	33,637
Other interest receivable	-	22,266
	<u>£ 16,651</u>	<u>£ 55,903</u>

INTATRAVEL GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

5.	INTEREST PAYABLE	1996 £	1995 £
	On bank loans and overdrafts	18,288	12,256
	On other loans wholly repayable within 5 years	40,160	58,471
	On loans repayable after 5 years	45,959	58,200
	Hire purchase interest	7,925	5,363
	Other interest	16,961	18,266
	Vat surcharge	12,585	6,908
		<u>£ 141,878</u>	<u>£ 159,464</u>
6.	TAXATION	1996 £	1995 £
	U.K. Current year taxation		
	U.K. Corporation tax at 33% (1995 - 33%)	84,200	81,000
	Transfer to deferred taxation	39,450	37,500
		<u>123,650</u>	<u>118,500</u>
	Prior years		
	U.K. Corporation tax	(1,369)	(3,230)
		<u>£ 122,281</u>	<u>£ 115,270</u>
7.	DIVIDENDS	1996 £	1995 £
	Ordinary:		
	Interim paid	-	111,225
		<u></u>	<u></u>

INTATRAVEL GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

8. TANGIBLE ASSETS - COMPANY

	Land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 November 1995	2,544,189	633,960	285,684	3,463,833
Additions	-	30,953	9,555	40,508
Disposals	-	-	(33,208)	(33,208)
	<u>2,544,189</u>	<u>664,913</u>	<u>262,031</u>	<u>3,471,133</u>
At 31 October 1996	2,544,189	664,913	262,031	3,471,133
Depreciation				
At 1 November 1995	664,368	475,414	149,100	1,288,882
On disposals	-	-	(26,543)	(26,543)
Charge for year	85,490	55,726	43,039	184,255
	<u>749,858</u>	<u>531,140</u>	<u>165,596</u>	<u>1,446,594</u>
At 31 October 1996	749,858	531,140	165,596	1,446,594
Net book values				
At 31 October 1996	<u>1,794,331</u>	<u>133,773</u>	<u>96,435</u>	<u>2,024,539</u>
At 31 October 1995	<u>1,879,821</u>	<u>158,546</u>	<u>136,584</u>	<u>2,174,951</u>

The net book value of land & buildings comprises:

	1996 £	1995 £
Freehold	743,853	743,853
Long leasehold	199,170	199,170
Short leasehold	851,308	936,798
	<u>1,794,331</u>	<u>1,879,821</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Net book value 1996 £	Net book value 1995 £	Dep'n value 1996 £	Dep'n value 1995 £
Motor vehicles	<u>78,164</u>	<u>110,405</u>	<u>32,241</u>	<u>18,559</u>

INTATRAVEL GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

9. TANGIBLE ASSETS - GROUP

	Land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 November 1995	2,711,690	701,925	299,928	3,713,543
Additions	-	33,829	24,866	58,695
Disposals	-	-	(47,452)	(47,452)
At 31 October 1996	<u>2,711,690</u>	<u>735,754</u>	<u>277,342</u>	<u>3,724,786</u>
Depreciation				
At 1 November 1995	664,367	510,495	163,345	1,338,207
On disposals	-	-	(40,786)	(40,786)
Charge for year	85,490	63,921	45,031	194,442
At 31 October 1996	<u>749,857</u>	<u>574,416</u>	<u>167,590</u>	<u>1,491,863</u>
Net book values				
At 31 October 1996	<u>1,961,833</u>	<u>161,338</u>	<u>109,752</u>	<u>2,232,923</u>
At 31 October 1995	<u>2,047,323</u>	<u>191,430</u>	<u>136,583</u>	<u>2,375,336</u>

The net book value of land & buildings comprises:

	1996 £	1995 £
Freehold	743,853	743,853
Long leasehold	366,670	366,670
Short leasehold	851,310	936,800
	<u>1,961,833</u>	<u>2,047,323</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Net book value 1996 £	Net book value 1995 £	Dep'n charge 1996 £	Dep'n charge 1995 £
Motor vehicles	<u>78,164</u>	<u>110,405</u>	<u>32,241</u>	<u>18,559</u>

INTATRavel GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

10. FIXED ASSET INVESTMENTS	Group 1996 £	Company 1996 £	Group 1995 £	Company 1995 £
Cost:				
Subsidiary undertakings	-	325,100	-	325,100
less deminuation in value	-	(100)	-	(100)
Participating interests	20,000	20,000	20,000	20,000
	<u>£20,000</u>	<u>£ 345,000</u>	<u>£ 20,000</u>	<u>£ 345,000</u>

Holdings of more than 10%

The company holds more than 10% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Intabusiness Travel Limited	England and Wales	Ordinary	100
Intachange Finance Limited	England and Wales	Ordinary	100
Participating interests			
Intatravel Holidays Limited	England and Wales	Preference	100

Intabusiness Travel Limited deals with the sale of flights and other related business travel products. Intachange Finance Limited remains dormant. Intatravel Holidays Limited trades as travel agents.

11. DEBTORS	Group 1996 £	Company 1996 £	Group 1995 £	Company 1995 £
Trade debtors	610,336	438,658	693,375	465,669
Loans to directors	37,799	37,799	-	-
ACT recoverable	-	-	27,806	27,806
Other debtors	481,917	318,317	707,309	544,157
Prepayments & accrued income	1,653,501	1,625,145	1,452,613	1,422,222
	<u>2,783,553</u>	<u>2,419,919</u>	<u>2,881,103</u>	<u>2,459,854</u>

INTATRAVEL GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

12. CREDITORS: amounts falling due within one year	Group 1996 £	Company 1996 £	Group 1995 £	Company 1995 £
Bank loans and overdrafts	800,250	826,673	493,040	451,582
Net obligations under finance lease & hire purchase contracts	28,365	28,365	25,440	25,440
Trade creditors	2,002,548	1,727,704	2,287,484	1,999,346
Amounts owed to group undertakings	-	5,086	-	18,482
Corporation tax	112,006	105,806	108,806	106,806
Taxes & social security costs	271,881	262,708	270,219	279,654
Directors' current accounts	-	-	112,347	112,347
Other creditors	66,244	3,734	84,849	9,745
Accruals and deferred income	77,444	65,550	48,462	36,575
	<u>3,358,738</u>	<u>3,025,626</u>	<u>3,430,647</u>	<u>3,039,977</u>

INTATRAVEL GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

13. CREDITORS: amounts falling due after more than one year	Group 1996 £	Company 1996 £	Group 1995 £	Company 1995 £
Loans	576,328	452,427	751,370	625,323
Net obligations under finance lease & hire purchase contracts	35,005	35,005	63,371	63,371
Pension loan	-	-	147,000	147,000
	<u>£ 611,333</u>	<u>£ 487,432</u>	<u>£ 961,741</u>	<u>£ 835,694</u>

Loans

Not wholly repayable within five years
by instalments

Repayable in monthly instalments of £3,958 by 2013 bearing interest at 2% over base rate.	396,701	396,701	410,687	410,687
Repayable in monthly instalments by 2004 at 1.5% over bank base rate.	-	-	99,714	99,714
Repayable in monthly instalments of £975 by 2019 at a variable rate of interest.	116,835	-	119,271	-
Wholly repayable within 5 years	<u>236,083</u>	<u>227,108</u>	<u>500,097</u>	<u>491,654</u>
	749,619	623,809	1,129,769	1,002,055
Included in current liabilities	<u>(173,291)</u>	<u>(171,382)</u>	<u>(378,399)</u>	<u>(376,732)</u>
	<u>£ 576,328</u>	<u>£ 452,427</u>	<u>£ 751,370</u>	<u>£ 625,323</u>

The bank loans and overdraft are secured by legal mortgages on certain properties and a debenture incorporating fixed and floating charges over all of the group's assets.

Included in loans repayable within five years is a bank loan which is repayable by 31 July 1997 at 3% over base.

INTATRAVEL GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

Net obligations under finance leases

and hire purchase contracts

Repayable within one year	33,365	33,365	33,365	33,365
Repayable between 2-5 years	37,620	37,620	71,015	71,015
	<u>70,985</u>	<u>70,985</u>	<u>104,380</u>	<u>104,380</u>
Finance charges and interest allocated to future accounting periods	(7,615)	(7,615)	(15,569)	(15,569)
	<u>63,370</u>	<u>63,370</u>	<u>88,811</u>	<u>88,811</u>
Included in current liabilities	(28,365)	(28,365)	(25,440)	(25,440)
	<u>£ 35,005</u>	<u>£ 35,005</u>	<u>£ 63,371</u>	<u>£ 63,371</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is provided at 33% (1995 - 33%) analysed over the following timing differences:

	Group	Fully Provided Company	Group	Company
	1996	1996	1995	1995
	£	£	£	£
Accelerated capital allowances	25,000	22,000	40,000	37,000
Other timing differences	439,450	439,000	385,000	385,000
	<u>£ 464,450</u>	<u>£ 461,000</u>	<u>£ 425,000</u>	<u>£ 422,000</u>

Movements on the provision for deferred taxation are:

	Group	Company
	£	£
At 1 November 1995	425,000	422,000
Transferred from p & l account	39,450	39,000
At 31 October 1996	<u>£ 464,450</u>	<u>£ 461,000</u>

15. PENSION COSTS

The company has a fully insured pension scheme for which the premium paid was £63,912 (1995 - £50,214).

INTATRavel GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

16. SHARE CAPITAL	Group 1996 £	Company 1996 £	Group 1995 £	Company 1995 £
Authorised 500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid 445,000 Ordinary shares of £1 each	<u>445,000</u>	<u>445,000</u>	<u>445,000</u>	<u>445,000</u>

17. PROFIT AND LOSS ACCOUNT	Group 1996 £	Company 1996 £	Group 1995 £	Company 1995 £
Profit at 1 November 1995	15,829	238,489	98,688	272,336
Profit for the year	<u>141,586</u>	<u>132,171</u>	<u>(82,859)</u>	<u>(33,847)</u>
Profit at 31 October 1996	<u>£ 157,415</u>	<u>£ 370,660</u>	<u>£ 15,829</u>	<u>£ 238,489</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group 1996 £	Company 1996 £	Group 1995 £	Company 1995 £
Profit for the financial year	141,586	132,171	28,366	77,378
Dividends	-	-	(111,225)	(111,225)
Net addition to shareholders' funds	<u>141,586</u>	<u>132,171</u>	<u>(82,859)</u>	<u>(33,847)</u>
Opening shareholders' funds	<u>460,829</u>	<u>683,489</u>	<u>543,688</u>	<u>717,336</u>
Closing shareholders' funds	<u>£ 602,415</u>	<u>£ 815,660</u>	<u>£ 460,829</u>	<u>£ 683,489</u>

19. CONTINGENT LIABILITIES

The liquidators of Riva Travel have claimed that Intatravel Group PLC are indebted to them by some £130,000. No provision has been made in these accounts for that sum as the directors maintain that it is not owed by the group.

INTATRAVEL GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

20. FINANCIAL COMMITMENTS

At 31 October 1996 the group had annual commitments under non-cancellable operating leases as follows:

	Group 1996 £	Company 1996 £	Group 1995 £	Company 1995 £
LAND AND BUILDINGS				
Expiry date:				
Within one year	51,770	39,350	48,850	48,850
Between two and five years	157,250	157,250	75,285	63,900
In over five years	580,075	580,075	608,425	608,425
	<u>£ 789,095</u>	<u>£ 776,675</u>	<u>£ 732,560</u>	<u>£ 721,175</u>
OTHERS				
Expiry date:				
Within one year	53,081	53,081	1,648	1,648
Between two and five years	67,164	67,164	39,572	39,572
	<u>£ 120,245</u>	<u>£ 120,245</u>	<u>£ 41,220</u>	<u>£ 41,220</u>

21. DIRECTORS

	1996 £	1995 £
Remuneration		
Emoluments	<u>271,498</u>	<u>334,047</u>

Emoluments disclosed above
(excluding pension contributions) include
amounts paid to:

The chairman and highest-paid director	<u>£ 141,614</u>	<u>£ 212,000</u>
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Other directors' emoluments (excluding
pension contributions) were in the
following ranges:

	Number	Number
£10,001 - £15,000	1	-
£20,001 - £25,000	-	1
£45,001 - £50,000	-	1
£50,001 - £55,000	1	-
	<u>1</u>	<u>2</u>

INTATRavel GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1996

22. TRANSACTIONS WITH DIRECTORS

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount Outstanding		Maximum in year
	1996	1995	1996
	£	£	£
R.J. Moore	37,799	-	37,799

The director's current account was cleared after the year end.

Mrs S.T. Moore is a director of a company that provides an air booking service to Intatravel Group PLC. At the year end there was a balance of £216,270 due to the group.

Mrs S.T Moore is also the director of a company that owed Intatravel Group PLC £50,548 at the year end. This amount has since cleared.

23. EMPLOYEES

Number of employees

The average weekly number of employees (including directors) during the year was:

	1996 Number	1995 Number
Office and management	34	31
Sales & ancillary staff	163	183
	<u>197</u>	<u>214</u>

Employment costs

	£	£
Wages and salaries	1,710,950	1,970,340
Social security costs	133,614	147,523
Other pension costs	63,912	50,214
	<u>1,908,476</u>	<u>2,168,077</u>