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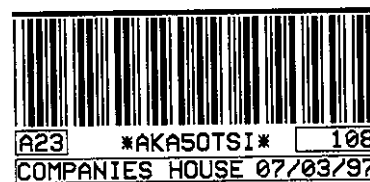
Company No: 2746479

**GULLIVERS SPORTS TRAVEL
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 1996



GULLIVERS SPORTS TRAVEL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1996

Company Registration Number:

2746479

Registered Office:

The Quadrangle
Imperial Square
CHELTENHAM
Glos
GL50 1PZ

Directors:

J Hall
J H Maycock
J Davison
D Hall

Secretary:

J Hall

Bankers:

Barclays Bank plc
Britannia House
The Docks
GLOUCESTER
Glos
GL1 2EH

Solicitors:

Laytons Solicitors
Saint Bartholomews
Lewins Mead
BRISTOL
BS1 2NH

Auditors:

Grant Thornton
Registered Auditors
Chartered Accountants
The Quadrangle
Imperial Square
CHELTENHAM
Glos
GL50 1PZ

GULLIVERS SPORTS TRAVEL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1996

INDEX	PAGE
Report of the directors	1-2
Report of the auditors	3
Principal accounting policies	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7-10

GULLIVERS SPORTS TRAVEL LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 June 1996.

Principal activity

The company operates principally as a tour operator.

Business review

On 1 April 1996, Gullivers Group Limited, the parent undertaking of the company, transferred to Gullivers Sports Travel Limited the segment of its trade as a tour operator that was licensed under the regulations of ABTA.

Following a successful year, during which the company managed tours to cricket in South Africa and Euro 96 in England, the Gullivers Sports Travel business has reinforced its market position.

There was a profit for the year after taxation amounting to £99,546 (1995: £344,729). The directors do not recommend payment of a dividend and the profit has therefore been retained.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

J Hall	-
J H Maycock	-
J Davison	-
D Hall	-

The interests of the directors who are all directors of the parent undertaking, are disclosed in that company's financial statements.

Directors' responsibilities for the financial statements

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 year. 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GULLIVERS SPORTS TRAVEL LIMITED

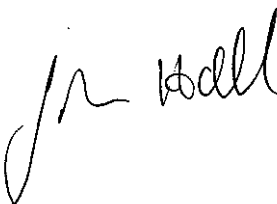
REPORT OF THE DIRECTORS (CONTINUED)

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

J Hall
Secretary

A handwritten signature in black ink, appearing to read 'J Hall', written over the printed name and title.

Date: 26 November 1996

REPORT OF THE AUDITORS TO THE MEMBERS OF

GULLIVERS SPORTS TRAVEL LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1 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 company's affairs at 30 June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

CHELTENHAM

Date: 26 November 1996

GULLIVERS SPORTS TRAVEL LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated to write down the cost of all tangible fixed assets other than freehold land and buildings by the reducing balance method over their expected useful lives or by the straight line method over the expected useful life of the asset. The rates generally applicable are:

Fixtures and fittings	20% per annum
Computer equipment	3 years straight line

No depreciation is provided on freehold land and buildings as it is the company's policy to maintain these assets in a continual state of sound repair. The useful economic lives of these assets are thus so long and residual values so high that any depreciation would not be material. Residual values are based on prices prevailing at the date of acquisition or subsequent valuation, such valuations being carried out on a regular basis. Provision is made in the profit and loss account for any permanent diminution in value.

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All other exchange differences are dealt with through the profit and loss account.

CONTRIBUTION TO PENSION FUNDS

Defined Contribution Scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

GULLIVERS SPORTS TRAVEL LIMITED**PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 30 JUNE 1996

	Note	1996 £	1995 £
Turnover	1	7,214,792	8,245,775
Cost of sales		(5,654,326)	(6,753,641)
Gross profit		1,560,466	1,492,134
Administrative expenses		(1,526,541)	(986,773)
Operating profit		33,925	505,361
Net interest	2	10,459	8,368
Profit on ordinary activities before taxation	1	44,384	513,729
Tax on profit on ordinary activities	4	55,162	(169,000)
Profit for the financial year	9	£99,546	£344,729

STATEMENT OF RETAINED PROFITS

	1996 £	1995 £
At 1 July 1995	344,729	-
Profit for the financial year	99,546	344,729
At 30 June 1996	£444,275	£344,729

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

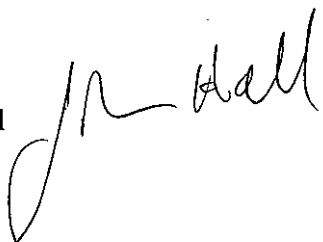
GULLIVERS SPORTS TRAVEL LIMITED

BALANCE SHEET AT 30 JUNE 1996

	Note	1996		1995	
		£	£	£	£
Fixed assets					
Tangible assets	5		410,004		398,942
Current assets					
Debtors	6	1,068,732		1,132,503	
Cash at bank and in hand		1,687,381		771,662	
		<u>2,756,113</u>		<u>1,904,165</u>	
Creditors: amounts falling due within one year	7	<u>(2,671,842)</u>		<u>(1,933,378)</u>	
Net current assets/(liabilities)			84,271		(29,213)
Total assets less current liabilities			<u>£494,275</u>		<u>£369,729</u>
Capital and reserves					
Called up share capital	8		50,000		25,000
Profit and loss account			444,275		344,729
Shareholders' funds	9		<u>£494,275</u>		<u>£369,729</u>

The financial statements were approved by the Board of Directors on 26th November 1996

J Hall



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

GULLIVERS SPORTS TRAVEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1996

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover and profit on ordinary activities before taxation are attributable to the principal activity of the company, that of tour operator which is carried on entirely within the UK.

The profit on ordinary activities is stated after:

	1996 £	1995 £
Depreciation	4,184	-
Auditors' remuneration	12,705	8,000
	<u> </u>	<u> </u>

2 NET INTEREST

	1996 £	1995 £
On bank loans and overdraft	5,241	4,690
Other interest receivable and similar income	(15,700)	(13,058)
	<u>£(10,459)</u>	<u>£(8,368)</u>

3 DIRECTORS AND EMPLOYEES

The company did not employ any staff during the year. All staff duties were carried out by the employees of Gullivers Group Limited, the ultimate parent undertaking of the company.

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax credit/charge represents:

	1996 £	1995 £
Corporation tax at 24%/25% (1995: 33%)	11,673	169,000
Adjustments in respect of prior year:		
Corporation tax	(66,835)	-
	<u>£(55,162)</u>	<u>£169,000</u>

GULLIVERS SPORTS TRAVEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 1996

5 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Fixtures, fittings and computer equipment £	Total £
Cost or valuation			
At 1 July 1995	395,000	3,942	398,942
Additions	-	15,246	15,246
	<u>395,000</u>	<u>19,188</u>	<u>414,188</u>
At 30 June 1996			
Depreciation			
At 1 July 1995	-	-	-
Provided in the year	-	4,184	4,184
	<u>-</u>	<u>4,184</u>	<u>4,184</u>
At 30 June 1996			
	<u>-</u>	<u>4,184</u>	<u>4,184</u>
Net book amount at 30 June 1996	<u>£395,000</u>	<u>£15,004</u>	<u>£410,004</u>
Net book amount at 30 June 1995	<u>£395,000</u>	<u>£3,942</u>	<u>£398,942</u>

6 DEBTORS

	1996 £	1995 £
Trade debtors	650,080	705,802
Amounts paid for future tours	301,086	221,821
VAT recoverable	34,899	105,000
Other debtors	-	23,009
Prepayments and accrued income	82,667	76,871
	<u>£1,068,732</u>	<u>£1,132,503</u>

GULLIVERS SPORTS TRAVEL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 1996

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996 £	1995 £
Trade creditors	394,968	569,890
Amounts owed to group undertakings	469,115	264,204
Corporation tax	11,673	169,000
Other creditors	165,185	130,348
Amounts received for future tours	902,897	662,765
Accruals	623,004	81,250
VAT payable	105,000	55,921
	<u>£2,671,842</u>	<u>£1,933,378</u>

Amounts owed to group undertakings includes a loan of £264,000 (1995: £264,000). The company has undertaken not to repay this loan without prior written consent from the Civil Aviation Authority.

8 SHARE CAPITAL

	1996 £	1995 £
Authorised, allotted, called up and fully paid 50,000 (1995: 25,000) ordinary shares of £1 each	<u>£50,000</u>	<u>£25,000</u>

Allotments during the year

In order to comply with ABTA requirements the company made an allotment of 25,000 ordinary £1 shares was made at par on 14 February 1996.

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit for the financial year	99,546	344,729
Issue of shares	25,000	24,998
Net increase in shareholders' funds	<u>124,546</u>	<u>369,727</u>
Shareholders' funds at 1 July 1995	369,729	2
Shareholders' funds at 30 June 1996	<u>£494,275</u>	<u>£369,729</u>

GULLIVERS SPORTS TRAVEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 1996

10 CAPITAL COMMITMENTS

The company had no capital commitments at 30 June 1996 or 30 June 1995.

11 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 1996 or 30 June 1995.

12 PENSIONS

Defined contribution scheme

The group operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the group.

13 CONTROLLING RELATED PARTY

The ultimate parent undertaking of this company is its parent company, Gullivers Group Limited, which is incorporated in England and Wales.

The largest group of undertakings for which group accounts have been drawn up is that headed by Gullivers Group Limited.