

Company Registration No. 3190720 (England and Wales)

**AUDLEY TRAVEL GROUP LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

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# **AUDLEY TRAVEL GROUP LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	C Burkinshaw J E Brewer
<b>Secretary</b>	J E Brewer
<b>Company number</b>	3190720
<b>Registered office</b>	The New Mill New Mill Lane Witney Oxfordshire OX29 9SX
<b>Auditors</b>	HLB Vantis Audit plc 66 Wigmore Street London W1U 2SB
<b>Bankers</b>	Barclays Bank Plc United Kingdom House 7th Floor 180 Oxford Street London W1D 1EA

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# AUDLEY TRAVEL GROUP LIMITED

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# **AUDLEY TRAVEL GROUP LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2006**

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The directors present their report and financial statements for the year ended 31 December 2006

#### **Principal activities and review of the business**

The principal activity of the company continued to be that of holiday tour operator

On 31 December 2006 all of the issued share capital of the company was gifted to Brecon LLP via a pooling agreement. Brecon LLP thus acquired a 100% interest in Audley Travel Group Limited for nil consideration. The directors of Audley Travel Group Limited, C Burkinshaw and J E Brewer are the designated members of Brecon LLP.

The company has enjoyed a successful year with turnover and profits up on the previous year. The directors are satisfied with these results and look forward to the next year with optimism.

#### **Principal risks and uncertainties**

The company is reliant on the increasing propensity of the UK population to take long haul tailor made holidays. This market is growing and further growth can be achieved by increasing the choice of geographical destinations and by increasing market share at the expense of competitors. The directors continue to monitor cost levels to ensure an adequate return is received.

#### **Financial instruments**

The company's principal financial instruments comprise of forward foreign exchange contracts, bank balances, trade creditors, trade debtors and loans to the company. The main purpose of these financial instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company, there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of current, deposit accounts and money market facilities.

In respect of loans these comprise of loans from directors and associated companies. These loans are interest free. The loans from directors can only be repaid with the consent of the Civil Aviation Authority.

In respect of foreign exchange payments, the company buys forward exchange contracts to match against future foreign exchange liabilities to mitigate the effects of unplanned exchange rate fluctuations.

Trade debtors are managed by the regular monitoring of amounts outstanding, credit is not given to customers. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

#### **Analysis based on key performance indicators**

The key performance indicators are as follows

Turnover £36,340,835 [2005 £26,200,153], [2004 £14,891,980]

Gross profit margin 19.9% [2005 17.6%], [2004 18.2%]

Current ratio 1.13 [2005 1.15], [2004 1.20]

The company continues to provide a quality service and is continually reviewing the range of destinations it has available to offer to meet the changing market demands.

The ratios show that company has improved its gross profit by 2.3% compared to the prior year whilst increasing turnover by 38.7%.

# AUDLEY TRAVEL GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2006

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#### Results and dividends

The results for the year are set out on page 6

No dividends were paid during the year

#### Directors

The following directors have held office since 1 January 2006

C Burkinshaw

J E Brewer

#### Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of 1p each	
	31 December 2006	1 January 2006
C Burkinshaw	-	2,500,000
J E Brewer	-	2,500,000

	"E group" Ordinary shares of 10p each	
	31 December 2006	1 January 2006
C Burkinshaw	-	-
J E Brewer	-	-

At the year end, the directors hold no direct interest in the shares of the company. The interests of directors in the parent undertaking are disclosed in the financial statements of that entity.

Charitable donations	2006 £	2005 £
During the year the company made the following payments		
Charitable donations	2,635	10,085

#### Auditors

On 1 April 2006, HLB AV Audit plc changed its name to HLB Vantis Audit plc in accordance with section 385 of the Companies Act 1985, a resolution proposing that HLB Vantis Audit plc be reappointed as auditors of the company will be put to the Annual General Meeting.

# AUDLEY TRAVEL GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2006**

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### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

### **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 that 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.

On behalf of the board

  
J E Brewer  
Director  
9 March 2007

# AUDLEY TRAVEL GROUP LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF AUDLEY TRAVEL GROUP LIMITED

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We have audited the financial statements of Audley Travel Group Limited for the year ended 31 December 2006 set out on pages 6 to 19. These financial statements have been prepared under 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 opinions we have formed.

#### **Respective responsibilities of the directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we 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 require for our audit, or if information specified by law regarding directors' remuneration and other 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 International Standards on Auditing (UK and Ireland) 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.

# AUDLEY TRAVEL GROUP LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF AUDLEY TRAVEL GROUP LIMITED

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#### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements 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



HLB Vantis Audit plc

15/3/2007

Chartered Accountants

Registered Auditor



66 Wigmore Street  
London  
W1U 2SB



# AUDLEY TRAVEL GROUP LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Turnover	2	36,340,835	26,200,153
Cost of sales		(29,095,215)	(21,583,962)
<b>Gross profit</b>		<b>7,245,620</b>	<b>4,616,191</b>
Distribution costs		(917,607)	(674,625)
Administrative expenses		(5,368,451)	(3,222,303)
<b>Operating profit</b>	<b>3</b>	<b>959,562</b>	<b>719,263</b>
Other interest receivable and similar income	4	151,510	93,306
Interest payable and similar charges	5	(1,579)	-
<b>Profit on ordinary activities before taxation</b>		<b>1,109,493</b>	<b>812,569</b>
Tax on profit on ordinary activities	6	(343,724)	(212,785)
<b>Profit on ordinary activities after taxation and for the financial year</b>	<b>13</b>	<b>765,769</b>	<b>599,784</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

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

# AUDLEY TRAVEL GROUP LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	7	288,997		148,069	
Investments	8	1,002		1,002	
		<u>289,999</u>		<u>149,071</u>	
<b>Current assets</b>					
Debtors	9	10,279,920	6,355,408		
Cash at bank and in hand		5,808,620	4,766,897		
		<u>16,088,540</u>	<u>11,122,305</u>		
<b>Creditors' amounts falling due within one year</b>	10	(14,226,822)	(9,657,928)		
<b>Net current assets</b>		<u>1,861,718</u>		<u>1,464,377</u>	
<b>Total assets less current liabilities</b>		<u>2,151,717</u>		<u>1,613,448</u>	
<b>Creditors: amounts falling due after more than one year</b>	11	(142,674)	(370,174)		
		<u>2,009,043</u>	<u>1,243,274</u>		
<b>Capital and reserves</b>					
Called up share capital	12	81,000	50,000		
Profit and loss account	13	1,928,043	1,193,274		
<b>Shareholders' funds</b>	14	<u>2,009,043</u>	<u>1,243,274</u>		

Approved by the Board and authorised for issue on 9<sup>th</sup> March 2007



J E Brewer  
Director

# AUDLEY TRAVEL GROUP LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	£	2006 £	£	2005 £
<b>Net cash inflow from operating activities</b>		1,542,501		2,548,878
<b>Returns on investments and servicing of finance</b>				
Interest received	151,510		93,306	
Interest paid	(1,579)		-	
<b>Net cash inflow for returns on investments and servicing of finance</b>		149,931		93,306
<b>Taxation</b>		(240,264)		(118,277)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(182,945)		(69,660)	
<b>Net cash outflow for capital expenditure</b>		(182,945)		(69,660)
<b>Net cash inflow before management of liquid resources and financing</b>		1,269,223		2,454,247
<b>Financing</b>				
Repayment of other long term loans	(227,500)		(62,326)	
<b>Net cash outflow from financing</b>		(227,500)		(62,326)
<b>Increase in cash in the year</b>		1,041,723		2,391,921

# AUDLEY TRAVEL GROUP LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

1	Reconciliation of operating profit to net cash inflow from operating activities	2006		2005	
		£		£	
	Operating profit	959,562		719,263	
	Depreciation of tangible assets	42,017		46,087	
	Increase in debtors	(3,924,512)		(2,953,228)	
	Increase in creditors within one year	4,465,434		4,736,756	
	<b>Net cash inflow from operating activities</b>	<b>1,542,501</b>		<b>2,548,878</b>	
2	Analysis of net funds	1 January 2006	Cash flow	Other non-cash changes	31 December 2006
		£	£	£	£
	Net cash				
	Cash at bank and in hand	4,766,897	1,041,723	-	5,808,620
	Bank deposits	-	-	-	-
	Debt				
	Debts falling due after one year	(370,174)	227,500	-	(142,674)
	<b>Net funds</b>	<b>4,396,723</b>	<b>1,269,223</b>	<b>-</b>	<b>5,665,946</b>
3	Reconciliation of net cash flow to movement in net funds	2006		2005	
		£		£	
	Increase in cash in the year	1,041,723		2,391,921	
	Cash outflow from decrease in debt	227,500		62,326	
	<b>Movement in net funds in the year</b>	<b>1,269,223</b>		<b>2,454,247</b>	
	Opening net funds	4,396,723		1,942,476	
	<b>Closing net funds</b>	<b>5,665,946</b>		<b>4,396,723</b>	

# AUDLEY TRAVEL GROUP LIMITED

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

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 1.3 Turnover

Turnover is recognised at the point at which an initial deposit is received after the travel booking is agreed with the customer

#### 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

Computer equipment	30% reducing balance
Fixtures and fittings	30% reducing balance
Motor vehicles	30% reducing balance

#### 1.5 Leasing

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

#### 1.6 Investments

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

#### 1.7 Deferred taxation

Where material, deferred tax is provided in full, as required by FRS 19 - Deferred Tax, in respect of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is not discounted

#### 1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

#### 1.9 Forward foreign exchange contracts and hedging activities

The company enters into forward foreign exchange contracts to hedge against the company's purchases denominated in foreign currencies. The forward foreign exchange contracts are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured at their fair value. The gain or loss relating to the effective proportion of the forward foreign exchange contracts hedging foreign currency purchases is recognised in the profit and loss statement within cost of sales. The gain or loss relating to the ineffective proportion is recognised immediately in the profit and loss statement within other gains/losses. The resulting financial asset or liability is included within current assets or liabilities.

# AUDLEY TRAVEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 1 Accounting policies (continued)

#### 1.10 Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2006 £	2005 £
Operating profit is stated after charging		
Depreciation of tangible assets	42,017	46,087
Auditors' remuneration	12,500	9,500

4 Investment Income	2006 £	2005 £
Bank interest	149,143	91,313
Other interest	2,367	1,993

5 Interest payable	2006 £	2005 £
On bank loans and overdrafts	1,579	-

# AUDLEY TRAVEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

6	Taxation	2006 £	2005 £
	<b>Domestic current year tax</b>		
	U K corporation tax	342,468	239,008
	Adjustment for prior years	1,256	(26,223)
	<b>Current tax charge</b>	<u>343,724</u>	<u>212,785</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>1,109,493</u>	<u>812,569</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	<u>332,848</u>	<u>243,771</u>
	<b>Effects of</b>		
	Non deductible expenses	10,084	13,826
	Depreciation add back	12,605	14,426
	Capital allowances	(48,183)	(15,348)
	Adjustments to previous periods	1,256	(26,223)
	Marginal relief	(9,029)	-
	Other tax adjustments	44,143	(17,667)
		<u>10,876</u>	<u>(30,986)</u>
	<b>Current tax charge</b>	<u>343,724</u>	<u>212,785</u>

# AUDLEY TRAVEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 7 Tangible fixed assets

	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2006	234,149	47,806	6,530	288,485
Additions	72,946	109,999	-	182,945
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	307,095	157,805	6,530	471,430
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 January 2006	113,654	21,975	4,787	140,416
Charge for the year	36,788	4,772	457	42,017
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	150,442	26,747	5,244	182,433
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 December 2006	156,653	131,058	1,286	288,997
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	120,495	25,831	1,743	148,069
	<hr/>	<hr/>	<hr/>	<hr/>



# AUDLEY TRAVEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 8 Fixed asset investments

	Shares in group undertakings £
At 1 January 2006 & at 31 December 2006	<u>1,002</u>

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
African Journeys Limited	United Kingdom	Ordinary	100 00
journeyfactory com Limited	United Kingdom	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2006 £	Profit for the year 2006 £
	<b>Principal activity</b>		
African Journeys Limited	Dormant	2	-
journeyfactory com Limited	Dormant	<u>1,000</u>	<u>-</u>

# AUDLEY TRAVEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

9 Debtors	2006 £	2005 £
Trade debtors	9,103,202	6,071,118
Amounts owed by parent and fellow subsidiary undertakings	581,091	-
Other debtors	479,649	259,894
Prepayments and accrued income	115,978	24,396
	<u>10,279,920</u>	<u>6,355,408</u>

Amounts falling due after more than one year and included in the debtors above are

	2006 £	2005 £
Trade debtors	-	61,601

Included in other debtors is a rent deposit of £28,617 in favour of persons identified in the rent deposit deed

10 Creditors: amounts falling due within one year	2006 £	2005 £
Trade creditors	13,534,762	9,325,055
Amounts owed to subsidiary undertakings	1,002	1,002
Corporation tax	342,468	239,008
Other taxes and social security costs	183,761	80,180
Other creditors	23,329	-
Accruals and deferred income	141,500	12,683
	<u>14,226,822</u>	<u>9,657,928</u>

The directors, C Burkinshaw and J E Brewer, have provided the bank with personal guarantees limited to £40,000 in total

# AUDLEY TRAVEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

11 Creditors: amounts falling due after more than one year	2006 £	2005 £
Other creditors	<u>142,674</u>	<u>370,174</u>

Included in the above loan is an amount of £95,000 (2005 £322,500) which has been subordinated by C Burkinshaw in favour of the Civil Aviation Authority and is not to be repaid without the consent of the Civil Aviation Authority. During the year, the Civil Aviation Authority provided the authority to release £227,500.

12 Share capital	2006 £	2005 £
<b>Authorised</b>		
5,000,000 Ordinary shares of 1p each	50,000	50,000
1,000,000 "E group" Ordinary shares of 10p each	<u>100,000</u>	<u>100,000</u>
	<u>150,000</u>	<u>150,000</u>
<b>Allotted, called up and fully paid</b>		
5,000,000 Ordinary shares of 1p each	50,000	50,000
310,000 'E14' ordinary shares of 10p each	<u>31,000</u>	<u>-</u>
	<u>81,000</u>	<u>50,000</u>

During the year, the company converted 1,000,000 'E' Ordinary shares into 14 different classes of Ordinary shares as described below and referred to as "E group" Ordinary shares

300,000 'E1' Ordinary shares of 10p each  
 15,000 'E2' Ordinary shares of 10p each  
 15,000 'E3' Ordinary shares of 10p each  
 15,000 'E4' Ordinary shares of 10p each  
 15,000 'E5' Ordinary shares of 10p each  
 15,000 'E6' Ordinary shares of 10p each  
 15,000 'E7' Ordinary shares of 10p each  
 15,000 'E8' Ordinary shares of 10p each  
 15,000 'E9' Ordinary shares of 10p each  
 15,000 'E10' Ordinary shares of 10p each  
 150,000 'E11' Ordinary shares of 10p each  
 90,000 'E12' Ordinary shares of 10p each  
 15,000 'E13' Ordinary shares of 10p each  
 310,000 'E14' Ordinary shares of 10p each

During the year, there was a bonus issue of 310,000 'E14' Ordinary shares

The "E group" Ordinary shares retain the same rights as held by the 'E' Ordinary shares before the conversion

# AUDLEY TRAVEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2006	1,193,274
Profit for the year	765,769
Bonus issue of shares	(31,000)
Balance at 31 December 2006	<u>1,928,043</u>

### 14 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	765,769	599,784
Opening shareholders' funds	<u>1,243,274</u>	<u>643,490</u>
Closing shareholders' funds	<u>2,009,043</u>	<u>1,243,274</u>

### 15 Contingent liabilities

The company has given the following bonds to the Civil Aviation Authority,

- 1) The sum of £700,000 from 1 April 2006 to 30 September 2007 issued by Barclays Bank Plc
- 2) The sum of £700,000 from 1 April 2006 to 30 September 2007 issued by Royal and Sun Alliance Insurance Plc
- 3) The sum of £700,000 from 1 April 2006 to 30 September 2007 issued by Coface SA
- 4) The sum of £700,000 from 1 April 2006 to 30 September 2007 issued by Travel & General Insurance Company Plc

The company has also given the following bond to the Association of British Travel Agents Ltd,

- 1) The sum of £153,534 from 30 October 2006 to 31 March 2008 issued by Barclays Bank Plc

# AUDLEY TRAVEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 16 Financial commitments

At 31 December 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2007

	Land and buildings	
	2006	2005
	£	£
Operating leases which expire		
Between two and five years	-	130,500
In over five years	245,000	-
	<u>245,000</u>	<u>130,500</u>

### 17 Directors' emoluments

	2006	2005
	£	£
Emoluments for qualifying services	<u>226,656</u>	<u>58,375</u>

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	<u>121,709</u>	<u>30,000</u>
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### 18 Transactions with directors

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

	Amount outstanding		Maximum
	2006	2005	in year
	£	£	£
C Burkinshaw	-	-	71,278
J E Brewer	-	-	39,339

# AUDLEY TRAVEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 19 Employees

#### Number of employees

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

	2006 Number	2005 Number
	132	90
<b>Employment costs</b>	<b>2006</b>	<b>2005</b>
	£	£
Wages and salaries	2,937,113	1,909,337
Social security costs	296,810	198,386
	3,233,923	2,107,723

### 20 Control

The parent entity is Brecon LLP, a limited liability partnership incorporated in England and Wales

The ultimate controlling parties are C Burkinshaw and J E Brewer

### 21 Related party transactions

During the year the company was charged rent and service charges of £106,250 by Brecon LLP. At the year end Brecon LLP owed the company £581,091.

During the year the company purchased fixed assets of £145,058 (2005: £nil), services of £89,317 (2005: £nil) and was charged management charge of £550,000 by Prosoma Limited. In the previous year, the company recharged expenses to Prosoma Limited of £22,579. At the year end, the company owed Prosoma Limited £200,263 (2005: £47,674) of which £47,674 (2005: £47,674) is included in creditors falling due after more than one year. Amounts due to Prosoma Limited are not subordinated to the Civil Aviation Authority. Prosoma Limited is a company in which C Burkinshaw has an interest.