
AUDLEY TRAVEL GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

TUESDAY



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COMPANIES HOUSE

AUDLEY TRAVEL GROUP LIMITED

COMPANY INFORMATION

DIRECTORS

C Burkinshaw
J E Brewer
C Mantel

COMPANY SECRETARY

J E Brewer

COMPANY NUMBER

3190720

REGISTERED OFFICE

The New Mill
New Mill Lane
Witney
Oxfordshire
OX29 9SX

AUDITORS

Barnes Roffe LLP
Chartered Accountant and Statutory Auditor
3 Brook Business Centre
Cowley Mill Road
Uxbridge
Middlesex
UB8 2FX

BANKERS

Barclays Bank Plc
United Kingdom House
7th Floor
180 Oxford Street
London
W1D 1EA

AUDLEY TRAVEL GROUP LIMITED

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AUDLEY TRAVEL GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements for the year ended 31 December 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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,
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

PRINCIPAL ACTIVITIES

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

AUDLEY TRAVEL GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

BUSINESS REVIEW

The company achieved an increase of 8% in turnover to that of the previous year. The directors are satisfied with these results, given the economic climate faced by the industry during the period and expect these levels of sales to be sustained next year.

Principal risks and uncertainties

The company is reliant on 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 the cost levels to ensure an adequate return is achieved.

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.

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 £53,670,116 (2008 - £49,537,104)

Gross profit margin 28.9% (2008 - 24.9%)

Current ratio 1.25 (2008 - 1.19)

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

The ratios show that the company has improved its gross profit margin by 4% compared to the prior year, whilst broadly maintaining turnover.

RESULTS

The profit for the year, after taxation, amounted to £4,783,483 (2008 - £2,903,938).

AUDLEY TRAVEL GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

DIRECTORS

The directors who served during the year were

C Burkinshaw
J E Brewer
C Mantel

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made charitable donations amounting to £23,840 to various international registered charities during the period

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

The previous auditors, HLB Vantis Audit plc, resigned during the year and Barnes Roffe LLP were appointed in their place. Barnes Roffe LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on *2nd March 2010* and signed on its behalf



C Mantel
Director

AUDLEY TRAVEL GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AUDLEY TRAVEL GROUP LIMITED

We have audited the financial statements of Audley Travel Group Limited for the year ended 31 December 2009, set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. 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 DIRECTORS AND AUDITORS

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

AUDLEY TRAVEL GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AUDLEY TRAVEL GROUP LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Sheryl Davis
Senior Statutory Auditor
for and on behalf of
BARNES ROFFE LLP
Chartered Accountant and Statutory Auditor
3 Brook Business Centre
Cowley Mill Road
Uxbridge
Middlesex
UB8 2FX

Date 2 March 2010

AUDLEY TRAVEL GROUP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

| | Note | 2009 £ | 2008 £ |
|--|------|-------------------------|-------------------------|
| TURNOVER | 1,2 | 53,670,116 | 49,537,104 |
| Cost of sales | | <u>(38,136,092)</u> | <u>(37,199,538)</u> |
| GROSS PROFIT | | 15,534,024 | 12,337,566 |
| Selling and distribution costs | | <u>(1,075,876)</u> | <u>(1,164,491)</u> |
| Administrative expenses | | <u>(7,887,404)</u> | <u>(7,346,680)</u> |
| OPERATING PROFIT | 3 | 6,570,744 | 3,826,395 |
| Income from other participating interests | | 8,120 | - |
| Interest receivable | 7 | 72,789 | 250,697 |
| Interest payable | 8 | <u>-</u> | <u>(3,643)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 6,651,653 | 4,073,449 |
| Tax on profit on ordinary activities | 9 | <u>(1,868,170)</u> | <u>(1,169,511)</u> |
| PROFIT FOR THE FINANCIAL YEAR | 15 | <u>4,783,483</u> | <u>2,903,938</u> |

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the Profit and loss account

The notes on pages 9 to 19 form part of these financial statements

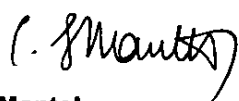
AUDLEY TRAVEL GROUP LIMITED
REGISTERED NUMBER: 3190720

BALANCE SHEET
AS AT 31 DECEMBER 2009

| | Note | £ | 2009 £ | £ | 2008 £ |
|---|------|-------------------|------------------|-------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 10 | | 246,480 | | 299,341 |
| Fixed asset investments | 11 | | 1,027,644 | | 1,002 |
| | | | <u>1,274,124</u> | | <u>300,343</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 12 | 12,872,760 | | 12,315,402 | |
| Cash at bank and in hand | | 14,741,689 | | 10,117,371 | |
| | | <u>27,614,449</u> | | <u>22,432,773</u> | |
| CREDITORS: amounts falling due within one year | 13 | (22,177,340) | | (18,805,366) | |
| NET CURRENT ASSETS | | | <u>5,437,109</u> | | <u>3,627,407</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>6,711,233</u> | | <u>3,927,750</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 14 | | 81,000 | | 81,000 |
| Profit and loss account | 15 | | 6,630,233 | | 3,846,750 |
| SHAREHOLDERS' FUNDS | 16 | | <u>6,711,233</u> | | <u>3,927,750</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

2nd March 2010



C Mantel
Director

The notes on pages 9 to 19 form part of these financial statements

AUDLEY TRAVEL GROUP LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

| | Note | 2009 £ | 2008 £ |
|---|------|------------------|------------------|
| Net cash flow from operating activities | 18 | 7,754,482 | 2,869,213 |
| Returns on investments and servicing of finance | 19 | 72,789 | 247,054 |
| Taxation | | (1,181,001) | (881,880) |
| Capital expenditure and financial investment | 19 | (21,952) | (45,845) |
| Equity dividends paid | | (2,000,000) | (1,000,000) |
| CASH INFLOW BEFORE FINANCING | | 4,624,318 | 1,188,542 |
| Financing | 19 | - | (142,674) |
| INCREASE IN CASH IN THE YEAR | | 4,624,318 | 1,045,868 |

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2009**

| | 2009 £ | 2008 £ |
|--|-------------------|-------------------|
| Increase in cash in the year | 4,624,318 | 1,045,868 |
| Cash outflow from decrease in debt and lease financing | - | 142,674 |
| MOVEMENT IN NET DEBT IN THE YEAR | 4,624,318 | 1,188,542 |
| Net funds at 1 January 2009 | 10,117,371 | 8,928,829 |
| NET FUNDS AT 31 DECEMBER 2009 | 14,741,689 | 10,117,371 |

The notes on pages 9 to 19 form part of these financial statements

AUDLEY TRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The only subsidiaries of the company are dormant companies whose assets and liabilities are not material individually or in total to the accounts. On this basis the company is considered to be exempt from the requirement to produce consolidated accounts under section 402 of the Companies Act 2006

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

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

1.3 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

| | | | |
|---------------------|---|-----|------------------|
| Motor vehicles | - | 30% | reducing balance |
| Fixtures & fittings | - | 30% | reducing balance |
| Computer equipment | - | 30% | reducing balance |

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.5 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange contracted and ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

AUDLEY TRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 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.

1.10 Share based payments

The company operates an equity-settled, share-based compensation plan or option scheme. The fair value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted at the grant date. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of the original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

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

The operating profit is stated after charging/(crediting)

| | 2009 £ | 2008 £ |
|--|-----------|-----------|
| Depreciation of tangible fixed assets | | |
| - owned by the company | 75,455 | 99,617 |
| Operating lease rentals | | |
| - other operating leases | 255,000 | 255,000 |
| Difference on foreign exchange | 329,367 | (473,808) |
| Profit/loss on disposal of tangible assets | - | 605 |
| | <hr/> | <hr/> |

AUDLEY TRAVEL GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

4. AUDITORS' REMUNERATION

| | 2009 £ | 2008 £ |
|--|---------------|---------------|
| Fees payable to the company's auditor for the audit of the company's annual accounts | 26,123 | 24,839 |
| Fees payable to the company's auditor and its associates in respect of | | |
| Other services relating to taxation | 21,650 | - |
| Business advice regarding group structure | 3,160 | - |
| | <u>26,123</u> | <u>24,839</u> |

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

| | 2009 £ | 2008 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 5,321,602 | 5,203,019 |
| Social security costs | 501,258 | 506,933 |
| Other pension costs | 41,406 | 17,169 |
| | <u>5,864,266</u> | <u>5,727,121</u> |

The average monthly number of employees, including the directors, during the year was as follows

| | 2009 No. | 2008 No. |
|----------------|-------------|-------------|
| Administrative | 56 | 57 |
| Sales | 100 | 134 |
| | <u>156</u> | <u>191</u> |

6. DIRECTORS' REMUNERATION

| | 2009 £ | 2008 £ |
|------------|----------------|----------------|
| Emoluments | 707,424 | 569,597 |
| | <u>707,424</u> | <u>569,597</u> |

The highest paid director received remuneration of £270,504 (2008 - £191,939)

AUDLEY TRAVEL GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

7 INTEREST RECEIVABLE

| | 2009 £ | 2008 £ |
|---------------------------|---------------|----------------|
| Other interest receivable | - | 4,204 |
| Bank interest receivable | 72,789 | 246,493 |
| | <u>72,789</u> | <u>250,697</u> |

8 INTEREST PAYABLE

| | 2009 £ | 2008 £ |
|----------------|-----------|--------------|
| On other loans | - | 3,643 |
| | <u>-</u> | <u>3,643</u> |

9. TAXATION

| | 2009 £ | 2008 £ |
|--|------------------|------------------|
| Analysis of tax charge in the year | | |
| UK corporation tax charge on profit for the year | 1,868,500 | 1,169,511 |
| Adjustments in respect of prior periods | (330) | - |
| | <u>1,868,170</u> | <u>1,169,511</u> |
| Tax on profit on ordinary activities | | |

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2008 - *higher than*) the standard rate of corporation tax in the UK (28%) The differences are explained below

| | 2009 £ | 2008 £ |
|--|------------------|------------------|
| Profit on ordinary activities before tax | 6,651,653 | 4,073,449 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 28%) | 1,862,463 | 1,140,566 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 6,287 | 5,637 |
| Capital allowances for year in excess of depreciation | (1,624) | - |
| Other timing differences | 1,359 | - |
| Adjustment for change in tax rates | - | 20,517 |
| Adjustments to tax charge in respect of prior periods | (330) | - |
| Overprovision | 15 | - |
| Depreciation for year in excess of capital allowances | - | 2,791 |
| | <u>1,868,170</u> | <u>1,169,511</u> |
| Current tax charge for the year (see note above) | | |

AUDLEY TRAVEL GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

9. TAXATION (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges

10. TANGIBLE FIXED ASSETS

| | Motor vehicles £ | Furniture, fittings and equipment £ | Other fixed assets £ | Total £ |
|-----------------------|------------------------|--|----------------------------|----------------|
| Cost | | | | |
| At 1 January 2009 | 8,508 | 215,497 | 448,373 | 672,378 |
| Additions | 7,533 | 3,612 | 20,582 | 31,727 |
| Disposals | (9,133) | - | - | (9,133) |
| At 31 December 2009 | <u>6,908</u> | <u>219,109</u> | <u>468,955</u> | <u>694,972</u> |
| Depreciation | | | | |
| At 1 January 2009 | 1 | 94,032 | 279,004 | 373,037 |
| Charge for the year | - | 24,395 | 51,060 | 75,455 |
| At 31 December 2009 | <u>1</u> | <u>118,427</u> | <u>330,064</u> | <u>448,492</u> |
| Net book value | | | | |
| At 31 December 2009 | <u>6,907</u> | <u>100,682</u> | <u>138,891</u> | <u>246,480</u> |
| At 31 December 2008 | <u>8,507</u> | <u>121,465</u> | <u>169,369</u> | <u>299,341</u> |

11. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ | Sub total carried forward £ |
|--|---|--------------------------------------|
| Cost or valuation | | |
| At 1 January 2009 and 31 December 2009 | <u>1,002</u> | <u>1,002</u> |

AUDLEY TRAVEL GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

11 FIXED ASSET INVESTMENTS (continued)

| | Sub total brought forward £ | Other investments £ | Total £ |
|--------------------------|--------------------------------------|---------------------------|------------------|
| Cost or valuation | | | |
| At 1 January 2009 | 1,002 | - | 1,002 |
| Additions | - | 1,018,522 | 1,018,522 |
| Income from partnership | - | 8,120 | 8,120 |
| At 31 December 2009 | <u>1,002</u> | <u>1,026,642</u> | <u>1,027,644</u> |

Subsidiary undertakings

The following were subsidiary undertakings of the company

| Name | Class of shares | Holding |
|----------------------------|-----------------|---------|
| African Journeys Limited | Ordinary | 100% |
| Journeyfactory com Limited | Ordinary | 100% |

The aggregate of the share capital and reserves as at 31 December 2009 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

| Name | Aggregate of share capital and reserves £ | Profit/(loss) £ |
|--|--|--------------------|
| African Journeys Limited (Dormant company) | 2 | - |
| Journeyfactory com Limited (Dormant company) | <u>1,000</u> | <u>-</u> |

Both companies are incorporated in England and Wales

Other investments

The other investments relate to a capital contribution made to Brecon LLP, of which Audley Travel Group is a member

12. DEBTORS

| | 2009 £ | 2008 £ |
|------------------------------------|-------------------|-------------------|
| Trade debtors | 12,452,439 | 10,966,307 |
| Amounts owed by group undertakings | - | 982,535 |
| Other debtors | 420,321 | 353,910 |
| Prepayments and accrued income | - | 12,650 |
| | <u>12,872,760</u> | <u>12,315,402</u> |

AUDLEY TRAVEL GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

12. DEBTORS (continued)

Included within other debtors due within one year is a loan to a director, C Burkinshaw, amounting to £52 (2008 - £320) The maximum amount outstanding during the year was £263,207 Included within other debtors is also a loan to another director, J E Brewer, amounting to £3,324 (2008 - £1,358) The maximum amount outstanding during the year was £269,582

13. CREDITORS:

Amounts falling due within one year

| | 2009 £ | 2008 £ |
|------------------------------------|-------------------|-------------------|
| Trade creditors | 19,590,673 | 17,276,802 |
| Amounts owed to group undertakings | 57,592 | 1,002 |
| Corporation tax | 1,852,803 | 1,165,634 |
| Social security and other taxes | 169,026 | 169,198 |
| Other creditors | 296 | 24,730 |
| Accruals and deferred income | 506,950 | 168,000 |
| | <u>22,177,340</u> | <u>18,805,366</u> |

14. SHARE CAPITAL

| | 2009 £ | 2008 £ |
|---|---------------|---------------|
| Allotted, called up and fully paid | | |
| 5,000,000 Ordinary shares of 1p each | 50,000 | 50,000 |
| 310,000 "E Group" Ordinary shares of 10p each | 31,000 | 31,000 |
| | <u>81,000</u> | <u>81,000</u> |

The "E group" shares hold no voting rights

15. RESERVES

| | Profit and loss account £ |
|--------------------------|---------------------------------|
| At 1 January 2009 | 3,846,750 |
| Profit for the year | 4,783,483 |
| Dividends Equity capital | (2,000,000) |
| At 31 December 2009 | <u>6,630,233</u> |

AUDLEY TRAVEL GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2009 £ | 2008 £ |
|-----------------------------|------------------|------------------|
| Opening shareholders' funds | 3,927,750 | 2,023,812 |
| Profit for the year | 4,783,483 | 2,903,938 |
| Dividends (Note 17) | (2,000,000) | (1,000,000) |
| Closing shareholders' funds | <u>6,711,233</u> | <u>3,927,750</u> |

17. DIVIDENDS

| | 2009 £ | 2008 £ |
|----------------------------------|------------------|------------------|
| Dividends paid on equity capital | <u>2,000,000</u> | <u>1,000,000</u> |

Directors had no interest in dividends during the period

18. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2009 £ | 2008 £ |
|--|------------------|------------------|
| Operating profit | 6,570,744 | 3,826,395 |
| Depreciation of tangible fixed assets | 75,455 | 99,617 |
| (Profit)/loss on disposal of tangible fixed assets | (642) | 605 |
| (Increase)/decrease in debtors | (1,539,893) | 1,372,879 |
| Increase in amounts owed by group undertakings | (35,987) | - |
| Increase/(decrease) in creditors | 2,628,215 | (2,430,283) |
| Increase in amounts owed to group undertakings | 56,590 | - |
| Net cash inflow from operations | <u>7,754,482</u> | <u>2,869,213</u> |

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

| | 2009 £ | 2008 £ |
|--|---------------|----------------|
| Returns on investments and servicing of finance | | |
| Interest received | 72,789 | 250,697 |
| Interest paid | - | (3,643) |
| Net cash inflow from returns on investments and servicing of finance | <u>72,789</u> | <u>247,054</u> |

AUDLEY TRAVEL GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

| | 2009 £ | 2008 £ |
|---|-----------------|-----------------|
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (31,727) | (56,773) |
| Sale of tangible fixed assets | 9,775 | 10,928 |
| Net cash outflow from capital expenditure | <u>(21,952)</u> | <u>(45,845)</u> |
| | 2009 £ | 2008 £ |
| Financing | | |
| Repayment of loans | - | (142,674) |

20. ANALYSIS OF CHANGES IN NET DEBT

| | 1 January 2009 £ | Cash flow £ | Other non-cash changes £ | 31 December 2009 £ |
|--------------------------|------------------------|------------------|-----------------------------------|--------------------------|
| Cash at bank and in hand | 10,117,371 | 4,624,318 | - | 14,741,689 |
| Net funds | <u>10,117,371</u> | <u>4,624,318</u> | <u>-</u> | <u>14,741,689</u> |

21. CONTINGENT LIABILITIES

On 1 April 2008, Brecon LLP, a partnership of which the company is a member, provided the Civil Aviation Authority with a guarantee over all future liabilities of the company

22. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £41,406 (2008 - £17,169). Contributions totalling £4,855 were payable to the fund at the balance sheet date and are included in creditors.

AUDLEY TRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

23. OPERATING LEASE COMMITMENTS

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

| | Land and buildings | |
|-------------------------|---------------------------|----------------|
| | 2009 | 2008 |
| | £ | £ |
| Expiry date: | | |
| After more than 5 years | 255,000 | 255,000 |

24. DIRECTORS' PERSONAL GUARANTEES

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

25. RELATED PARTY TRANSACTIONS

Brecon LLP is a limited liability partnership of which Audley Travel Group Limited became a member on 21 September 2009. Until 25 September 2009, Brecon LLP was the parent entity of Audley Travel Group Limited.

During the year the company was charged rent and service charges of £255,000 (2008 - £299,625) by Brecon LLP. The company also recharged £5,613 (2008 - £1,963) of expenses to Brecon LLP during the year. The company paid Brecon LLP a dividend of £1,000,000 (2008 - £1,000,000) during the year. At the year end, the company owed Brecon LLP £56,590 (2008 - owed from £982,535). During the year the company made a capital contribution of £1,018,522 to Brecon LLP and received a share of profits from the LLP of £8,120.

During the year, the company recharged expenses to Prosoma Limited of £Nil (2008 - £25,809). At the year end, the company owed Prosoma Limited £334,949 (2008 - £681,237). Prosoma Limited is a company in which C Burkinshaw has an interest.

During the year the company was charged £106,016 (2008 - £87,511) for software services by Antelope Software Limited, a company of which the directors J Brewer and C Burkinshaw are both shareholders. During the year, the company recharged expenses to Antelope Software Limited of £Nil (2008 - £10,906). At the year end the company was owed £43,845 (2008 - £58,126) from Antelope Software Limited.

26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The parent entity is Brewshaw LLP, a limited liability partnership registered in England and Wales.

The ultimate controlling parties are C Burkinshaw and J E Brewer.

AUDLEY TRAVEL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

27. SHARE BASED PAYMENTS

On 29 September 2006, 690,000 share options were granted to a selected number of employees at an exercise price of £0.21 in varying amounts with each option holders' allocation vesting in equal tranches on the second, third, fourth, and fifth anniversary of the date of grant. Options first became exercisable on the satisfaction of predefined performance criteria applied to the above anniversary dates. Options lapse on the occurrence of the earliest of the following events:

- the expiry of the period (if any) allowed for the satisfaction of performance criteria
- the tenth anniversary of the date of grant
- the date the option holder ceases to become an employee
- the expiry of the applicable period under a change of control event

Equity instruments granted are valued at market value of £0.10 for 390,000 share options and £0.11 for 300,000 share options.

The directors assessed the total amount to be expensed over the vesting period to be immaterial, hence the charge to the profit and loss is £Nil (2008 - £Nil). At the year end, no share options have been exercised or forfeited and no share options have expired.