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PENDLE TRAVEL SERVICES LIMITED

AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS

30TH SEPTEMBER 1985

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PENDLE TRAVEL SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30th September 1985.

1. Principal activities

The group is principally engaged as Travel Agents and Tour Operators.

2. Results

The group has continued to expand during the year, with its external turnover for 1985 amounting to £39,488,893 as against £25,146,219 in 1984. As a result profit before tax has substantially increased, being £2,018,532 in 1985 as against £707,061 in 1984.

The major reason for the growth in the year has been the continued expansion of the tour operating division trading as Airtours. This division is becoming one of the larger package holiday operators and this growth will be maintained by the acquisition of Carousel Holidays in November 1985. Carousel will add considerable strength to the group in the Midlands and introduce a programme out of London Gatwick. This will mean in the next financial year the company will operate package holiday tours from all the main regions of the United Kingdom.

The travel agency division of the company has shown a further increase in turnover in the year and has increased gross profit margins. During the year the group acquired a further five retail branches, and the policy of expansion will be continued during the current year.

The profit for the year after taxation amounted to £1,173,042. In view of the onerous bonding requirements, the directors are unable to recommend the payment of a final dividend in addition to the £157,500 interim dividend paid on 27th September 1985. The profit of £1,015,542 has therefore been retained.

3. Directors

The directors in office at the end of the year are listed below. Apart from Mr T. Lovelock who was appointed to the Board on 8th October 1984 and Mr L.T. James and Mr H.H. Collinson who were both appointed to the Board on 26th April 1985, all served on the Board throughout the year.

In accordance with the Articles, members will be asked to confirm the appointment of Mr T. Lovelock, Mr L.T. James and Mr H.H. Collinson.

Mr. T. Trickett retires by rotation and being eligible offers himself for re-election.

PENDLE TRAVEL SERVICES LIMITED  
REPORT OF THE DIRECTORS (CONTINUED)

3. Directors (continued)

The interests of the directors in the ordinary shares of the company and its subsidiaries at 1st October 1984 (or the date of their appointment to the Board if later) and at 30th September 1985 as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

	<u>1985</u>	<u>1984</u>
D. Crossland	330,000	198,000
T. Trickett	170,000	102,000
T. Lovelock	-	-
L. T. James	-	-
H. H. Collinson	-	-

4. Fixed assets

Movements

The principal items of capital expenditure were the purchase of additional leasehold properties (£44,400), the purchase of additional office and computer equipment (£436,620) and the purchase of additional motor vehicles (£96,505), of which £52,196 relates to commercial vehicles, all necessitated by the continued expansion of the group.

The net book amount of fixed assets sold during the year was £22,230.

5. Auditors

Thornton Baker offer themselves for reappointment as auditors in accordance with Section 384(1) of the Companies Act 1985.

Registered Office:

21a Deardengate,  
Haslingden,  
Lancashire

28th November 1985

ON BEHALF OF THE BOARD

  
D. CROSSLAND

Chairman

PENDLE TRAVEL SERVICES LIMITED

30TH SEPTEMBER 1985

REPORT OF THE AUDITORS TO THE MEMBERS

OF PENDLE TRAVEL SERVICES LIMITED

We have audited the financial statements on pages 4 to 18 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, as modified by the revaluation of certain properties, give a true and fair view of the state of the group's affairs at 30th September 1985, and of its profit and source and application of funds for the year then ended, and comply with the Companies Act 1985.



THORNTON BAKER  
Preston

28th November 1985

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

The financial statements have been prepared under the historical cost convention except that freehold and long leasehold properties are shown at their revalued amounts.

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

(a) Basis of Consolidation

The group financial statements consolidate the financial statements of the company and of its subsidiaries (see Note 8). The financial statements of each company in the group have been prepared to 30th September 1985. All unrealised internal profits are eliminated on consolidation.

None of the subsidiaries have traded during the year and consequently no profit or loss arises in their individual financial statements.

Goodwill arising on consolidation, representing the excess of the purchase price over the fair value of the net assets of subsidiaries at the date of acquisition, has been written off against Reserves.

(b) Turnover

Turnover is the total amount receivable by the group in the ordinary course of business with outside customers for goods supplied and for services provided, excluding VAT and trade discounts.

(c) Investment income

Investment income comprises interest receivable on Bank Deposits.

(d) Depreciation

Depreciation on leasehold properties and computer equipment is calculated to write down their cost or valuation by equal annual instalments over their expected useful lives.

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

(d) Depreciation (continued)

Depreciation on other tangible fixed assets is calculated on the reducing balance method and aims to write down the cost of all such assets other than freehold land and buildings over their expected useful lives.

The rates/periods generally applicable are:

Long leasehold premises	2%
Short leasehold premises	Period of lease
Computer equipment	4 years
Fixtures, fittings and equipment	10%
Motor vehicles	25%

No depreciation is provided on freehold premises. This policy does not comply with the provisions of Statement of Standard Accounting Practice No.12 nor the Companies Act 1985, Schedule 4, Paragraph 18. However, in the opinion of the directors it is inappropriate to provide depreciation on premises which are appreciating in value. In addition the directors are of the opinion that if depreciation were provided, this would not materially affect the profit for the year nor the figure at which fixed assets are stated on the Balance Sheet.

(e) Deferred taxation

Deferred taxation is the taxation attributable to timing differences between profits or losses computed for taxation purposes and results as stated in the financial statements.

Deferred taxation is provided to the extent that it is probable that a liability or asset will crystallise and not provided to the extent that it is probable that a liability or asset will not crystallise. Unprovided deferred taxation is disclosed as a contingent liability.

Deferred taxation is calculated at the rate at which it is estimated that the tax will be paid when the timing differences reverse.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that it is foreseen that sufficient corporation tax will be assessed in the succeeding period to allow offset.

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

(f) Foreign currencies

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

(g) Brochure cost

The costs incurred or committed in the preparation of the Tour Operator brochures are charged to profits in the year in which the cost was incurred or committed.

(h) Purchased goodwill

Purchased goodwill is stated at cost. No amount is written off such goodwill as the directors consider that it is inappropriate to reduce the cost when the inherent value of the goodwill is, in their opinion, increasing.

The directors are aware that this accounting treatment conflicts with provisions of the Companies Act 1985, Schedule 4, Paragraph 21, but believe that this is necessary in order to show a true and fair view.

(i) Leased assets

Where assets are financed by leasing agreements which give risks and rewards approximately to ownership ("finance leases") they are treated as if they had been purchased outright on credit. They are therefore initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset. Leasing payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability and an interest charge.

All other leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

	<u>Note</u>	<u>1985</u> <u>£000</u>	<u>1984</u> <u>£000</u>
<u>Turnover</u>	1	39,489	25,146
<u>Cost of sales</u>		<u>33,495</u>	<u>21,626</u>
<u>Gross profit</u>		5,994	3,520
Selling costs	3,474		2,081
Administrative expenses	573		436
Other charges	<u>398</u>		<u>544</u>
		<u>4,475</u>	<u>3,061</u>
<u>Operating profit</u>		1,549	459
Interest receivable and sundry income	2	<u>470</u>	<u>248</u>
<u>Profit on ordinary activities before taxation</u>	1	2,019	707
Tax on profit on ordinary activities	4	<u>846</u>	<u>320</u>
<u>Profit on ordinary activities after taxation</u>	5	1,173	387
Dividends paid (31.5p per share, 1984 nil)		<u>158</u>	<u>-</u>
		<u>£1,015</u>	<u>£387</u>
<u>Profit retained</u>			
By the company		£1,015	£387
By subsidiaries		<u>-</u>	<u>-</u>

The accounting policies and notes on pages 4 to 6 and 11 to 18 form part of these financial statements.



PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

GROUP BALANCE SHEET AT 30TH SEPTEMBER 1985

	<u>Note</u>	<u>1985</u> <u>£000</u>	<u>1984</u> <u>£000</u>
<u>Fixed assets</u>			
Intangible assets	6	28	28
Tangible assets	7	<u>1,025</u>	<u>618</u>
		1,053	646
<u>Current Assets</u>			
Debtors	9	2,308	1,210
Investments	10	5,307	2,861
Cash at bank and in hand		<u>2,399</u>	<u>1,449</u>
		10,014	5,520
<u>Creditors: Amounts falling due</u> <u>within one year</u>	11	<u>8,752</u>	<u>5,083</u>
<u>Net current assets</u>		<u>1,262</u>	<u>437</u>
<u>Total assets less current</u> <u>liabilities</u>		2,315	1,083
<u>Creditors: Amounts falling</u> <u>due after more than</u> <u>one year</u>	12	372	118
<u>Provisions for liabilities</u>			
Deferred taxation	13	<u>124</u>	<u>161</u>
		<u>496</u>	<u>279</u>
		<u>£1,819</u>	<u>£804</u>
<u>Capital and reserves</u>			
Called up share capital	15	500	300
Share premium account	16	11	11
Revaluation reserve	16	7	7
Profit and loss account	16	<u>1,301</u>	<u>486</u>
		<u>£1,819</u>	<u>£804</u>

The financial statements were approved by the Board of Directors on  
28th November 1985

..... *P. Boulad* ..... D. CROSSLAND )  
..... *T. Trickett* ..... T. TRICKETT ) DIRECTORS

The accounting policies and notes on pages 4 to 6 and 11 to 18 form part of these financial statements.

PENDLE TRAVEL SERVICES LIMITED  
BALANCE SHEET AT 30TH SEPTEMBER 1985

	<u>Note</u>	<u>1985</u> <u>£000</u>	<u>1984</u> <u>£000</u>
<u>Fixed assets</u>			
Intangible assets	6	28	28
Tangible assets	7	1,025	618
Investments	8	<u>27</u>	<u>27</u>
		1,080	673
<u>Current assets</u>			
Debtors	9	2,308	1,210
Investments	10	5,307	2,861
Cash at bank and in hand		<u>2,399</u>	<u>1,449</u>
		10,014	5,520
<u>Creditors: Amounts falling due within one year</u>	11	<u>8,752</u>	<u>5,083</u>
<u>Net current assets</u>		<u>1,262</u>	<u>437</u>
<u>Total assets less current liabilities</u>		2,342	1,110
<u>Creditors: Amounts falling due after more than one year</u>	12	425	171
<u>Provisions for liabilities</u>			
Deferred taxation	13	<u>124</u>	<u>161</u>
		<u>549</u>	<u>332</u>
		<u>£1,793</u>	<u>£778</u>
<u>Capital and reserves</u>			
Called up share capital	15	500	300
Share premium account	16	11	11
Revaluation reserve	16	7	7
Profit and loss account	16	<u>1,275</u>	<u>460</u>
		<u>£1,793</u>	<u>£778</u>

The financial statements were approved by the Board of Directors on 28th November 1985

*[Signature]* D. CROSSLAND )  
 ) DIRECTORS  
*[Signature]* T. TRICKETT )

The accounting policies and notes on pages 4 to 6 and 11 to 18 form part of these financial statements.

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

	<u>1985</u> <u>£000</u>	<u>1984</u> <u>£000</u>
<u>Source of funds</u>		
From operations		
Profit on ordinary activities before taxation	2,019	707
Adjustments for items not involving the movement of funds		
Depreciation and amounts written off fixed assets	148	61
Loss on sale of fixed assets	<u>13</u>	<u>-</u>
	<u>161</u>	<u>61</u>
	2,180	768
From other sources		
Proceeds of disposals of tangible fixed assets	<u>10</u>	<u>9</u>
	2,190	777
<u>Application of funds</u>		
Dividends paid	158	-
Tax paid	-	51
Purchase of tangible fixed assets	578	366
Loan repayments	<u>13</u>	<u>10</u>
	<u>749</u>	<u>427</u>
<u>Net inflow of funds</u>	<u>£1,441</u>	<u>£350</u>
<u>Increase/(decrease) in working capital</u>		
Debtors	1,098	578
Creditors: Amounts falling due within one year	(2,786)	(2,119)
Creditors: Amounts falling due after more than one year	<u>( 267)</u>	<u>-</u>
	(1,955)	(1,541)
Net liquid funds		
Cash at bank and in hand	950	1,135
Short-term deposits	<u>2,446</u>	<u>756</u>
	<u>3,396</u>	<u>1,891</u>
<u>Net increase in working capital</u>	<u>£1,441</u>	<u>£ 350</u>

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

1. Turnover and profit on ordinary activities before taxation

	<u>Turnover</u>	
	<u>1985</u>	<u>1984</u>
	<u>£000</u>	<u>£000</u>
Travel agency	10,497	9,288
Tour operator	<u>31,354</u>	<u>17,885</u>
	41,851	27,173
<u>Deduct</u> internal trading	<u>2,362</u>	<u>2,027</u>
	<u>£39,489</u>	<u>£25,146</u>

The whole of the turnover arises within the United Kingdom.

The analysis of profit before taxation by class of business has not been given because, in the opinion of the directors, such an analysis is both difficult to extract and of limited use, having regard to the organisation of the company's activities.

Profit on ordinary activities is stated after:

	<u>1985</u>	<u>1984</u>
	<u>£000</u>	<u>£000</u>
Hire and leasing of equipment and vehicles	£43	£31
Auditors' remuneration	£18	£15
Depreciation	£148	£61
Directors' emoluments (Note 3)	£150	£447

2. Interest receivable and sundry income

	<u>1985</u>	<u>1984</u>
	<u>£000</u>	<u>£000</u>
Rent of equipment	6	3
Rent receivable from land, less outgoings	4	3
Interest received	<u>429</u>	<u>242</u>
Management charges	<u>31</u>	<u>-</u>
	<u>£470</u>	<u>£248</u>

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

3. Directors and employees

Staff costs during the year

	<u>1985</u> <u>£000</u>	<u>1984</u> <u>£000</u>
Wages and salaries	1,354	1,375
Social security	<u>120</u>	<u>87</u>
	<u>£1,474</u>	<u>£1,462</u>

The average number of employees of the group during the year was:

	<u>1985</u>	<u>1984</u>
Travel agency	109	81
Tour operator	<u>111</u>	<u>85</u>
	<u>220</u>	<u>166</u>

Remuneration in respect of directors was payable as follows:

	<u>1985</u> <u>£000</u>	<u>1984</u> <u>£000</u>
Directors management remuneration	<u>£150</u>	<u>£447</u>

The emoluments of the directors, excluding pension contributions, were as follows:

	<u>1985</u> <u>£000</u>	<u>1984</u> <u>£000</u>
The chairman	<u>£34</u>	<u>£293</u>
The highest paid director	<u>£41</u>	<u>£293</u>

Other directors

	<u>1985</u> <u>Number</u>	<u>1984</u> <u>Number</u>
£ 15,001 to £ 20,000	1	-
£ 20,001 to £ 25,000	1	-
£ 30,001 to £ 35,000	1	-
£150,001 to £155,000	-	1

Higher paid employees

No employees of the company received emoluments greater than £30,000 during the year, excluding pension contributions. (1984 one employee received between £30,001 and £35,000).

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

4. Tax on profit on ordinary activities

The taxation charge is based on the profit for the year and is made up as follows:

	<u>1985</u> <u>£000</u>	<u>1984</u> <u>£000</u>
Corporation tax @ 42.5% (1984 47.5%)	883	256
Deferred tax	<u>(3)</u> 880	<u>90</u> 346

Adjustments in respect of prior years:

Corporation tax	-	(15)
Deferred tax (all due to change in rate of tax)	<u>(34)</u>	<u>(11)</u>
	<u>£846</u>	<u>£320</u>

Income and Corporation Taxes Act 1970

The company is a close company as defined by Section 282 of the Income and Corporation Taxes Act 1970.

5. Profit for the financial year

As the subsidiaries have not traded during the years ended 30th September 1985 and 30th September 1984, the whole of the profit arises in the financial statements of the parent company.

6. Intangible fixed assets

	<u>The group</u>		<u>The company</u>
	<u>Goodwill on</u> <u>consolidation</u>	<u>Purchased</u> <u>goodwill</u>	<u>Purchased</u> <u>goodwill</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>
Cost			
At 1st October 1984 and at 30th September 1985	<u>£8</u>	<u>£28</u>	<u>£28</u>
Amounts written off			
At 1st October 1984 and 30th September 1985	<u>£8</u>	<u>£ -</u>	<u>£ -</u>
Net book amount at 30th September 1985	<u>£-</u>	<u>£28</u>	<u>£28</u>
Net book amount at 30th September 1984	<u>£-</u>	<u>£28</u>	<u>£28</u>

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

7. Tangible fixed assets

<u>The group and the company</u>	<u>Land and buildings</u>				<u>Fixtures, fittings and equipment</u>	<u>Motor vehicles</u>
	<u>Total</u> £000	<u>Freeholds</u> £000	<u>Long lease-holds</u> £000	<u>Short lease-holds</u> £000	£000	£000
Cost or valuation						
At 1st October 1984	737	48	52	55	414	168
Additions	578	-	-	44	437	97
	<u>1,315</u>	<u>48</u>	<u>52</u>	<u>99</u>	<u>851</u>	<u>265</u>
Disposals	(29)	-	-	(4)	-	(25)
At 30th September 1985	<u>£1,286</u>	<u>£48</u>	<u>£52</u>	<u>£95</u>	<u>£851</u>	<u>£240</u>
Depreciation						
At 1st October 1984	119	-	3	19	76	21
Provided in year	148	-	1	20	82	46
	<u>267</u>	<u>-</u>	<u>4</u>	<u>39</u>	<u>158</u>	<u>67</u>
Disposals	(6)	-	-	(1)	-	(6)
At 30th September 1985	<u>£261</u>	<u>£-</u>	<u>£4</u>	<u>£38</u>	<u>£158</u>	<u>£61</u>
Net book amount at 30th September 1985	<u>£1,025</u>	<u>£48</u>	<u>£48</u>	<u>£57</u>	<u>£693</u>	<u>£179</u>
Net book amount at 30th September 1984	<u>£618</u>	<u>£48</u>	<u>£49</u>	<u>£36</u>	<u>£338</u>	<u>£147</u>

The net book amount of motor vehicles includes:-

	<u>1985</u> £000	<u>1984</u> £000
Commercial vehicles	100	83
Other vehicles	<u>79</u>	<u>64</u>
	<u>£179</u>	<u>£147</u>

The gross amount of land and buildings on which depreciation is being provided is as follows:

Freehold buildings	Nil
Long leasehold	£52,099
Short leasehold	£55,178

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

7. Tangible fixed assets (continued)

The figures stated above for cost or valuation include a valuation as follows:

	<u>The group and the company</u>	
	<u>Freehold property</u>	<u>Long leasehold property</u>
	<u>1985 and 1984</u>	<u>1985 and 1984</u>
	<u>£000</u>	<u>£000</u>
At cost	32	26
At 1980 valuation	16	-
At 1982 valuation	-	26
	<u>£48</u>	<u>£52</u>

If these assets had not been revalued they would have been included on the historical cost basis at the following amounts:

	<u>The group and the company</u>	
	<u>Freehold property</u>	<u>Long leasehold property</u>
	<u>£000</u>	<u>£000</u>
Cost	<u>£4</u>	<u>£18</u>
Accumulated depreciation	<u>£-</u>	<u>£1</u>
Net book amount at 30th September 1985	<u>£4</u>	<u>£17</u>
Net book amount at 30th September 1984	<u>£4</u>	<u>£17</u>

8. Fixed asset investments

The company

	<u>Shares in group companies</u>
	<u>£000</u>
Cost and net book amount At 1st October 1984 and 30th September 1985	<u>£27</u>

No Amounts have been written off



PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

8. Fixed asset investments (continued)

At 30th September 1985 the company holds more than 10% of the allotted share capital of the following companies:

<u>Subsidiaries</u>	<u>Country of registration</u>	<u>Class of share capital held</u>	<u>Proportion held</u>	<u>Nature of business</u>
Airtours Limited (formerly A.I.R. Tours Limited)	England	Ordinary	100%	Dormant
Space and Time Limited	England	Ordinary	100%	Dormant
Sunsales Limited (formerly The Holiday Shop (Rossendale) Limited)	England	Ordinary	100%	Dormant
Airtours Vacations Limited	England	Ordinary	100%	Dormant

No financial statements have been prepared in respect of Airtours Vacations Limited as it was only incorporated on 6th August 1985.

9. Debtors

	<u>The group and the company</u>	
	<u>1985</u>	<u>1984</u>
	<u>£000</u>	<u>£000</u>
Amounts falling due within one year:		
Trade debtors	1,989	998
Other debtors	90	101
Prepayments	<u>229</u>	<u>111</u>
	<u>£2,308</u>	<u>£1,210</u>

10. Current asset investments

	<u>The group and the company</u>	
	<u>1985</u>	<u>1984</u>
	<u>£000</u>	<u>£000</u>
Money market deposits	<u>£5,307</u>	<u>£2,861</u>

11. Creditors - amounts falling due within one year

	<u>The group and the company</u>	
	<u>1985</u>	<u>1984</u>
	<u>£000</u>	<u>£000</u>
Trade creditors	6,402	3,712
Current taxation	1,337	454
Social security and other taxes	282	472
Other creditors	379	178
Accruals	325	129
Directors' current accounts	<u>27</u>	<u>138</u>
	<u>£8,752</u>	<u>£5,083</u>

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

12. Creditors - amounts falling due after more than one year

	<u>The group</u>		<u>The company</u>	
	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Amounts owed to group companies	-	-	53	53
Directors' loan accounts	75	75	75	75
Hire purchase loan	30	43	30	43
Amount due under finance lease	<u>267</u>	<u>-</u>	<u>267</u>	<u>-</u>
	<u>£372</u>	<u>£118</u>	<u>£425</u>	<u>£171</u>

Under the terms of an agreement with the Civil Aviation Authority, Directors loan accounts amounting to £75,000 cannot be repaid without the written consent of that Authority.

The amount due under the finance lease is all repayable within five years.

13. Provisions for liabilities

	<u>Deferred taxation</u> <u>(Note 14)</u> <u>£000</u>
<u>The group and the company</u>	
At 1st October 1984	161
Provided during the year:	
Taxation credit	<u>37</u>
At 30th September 1985	<u>£124</u>

14. Deferred taxation

Deferred taxation provided in the financial statements and the total potential liability, including the amount provided, are set out below. The differences of £5,978 (1984 £5,978) represent contingent liabilities at the balance sheet date.

	<u>Amount provided</u>		<u>Potential liability</u>	
	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<u>The group and the company</u>				
Accelerated capital allowances	124	161	124	161
Unrealised capital gains	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
	<u>£124</u>	<u>£161</u>	<u>£130</u>	<u>£167</u>

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30TH SEPTEMBER 1985

15 Called up share capital

	<u>1985</u> <u>£000</u>	<u>1984</u> <u>£000</u>
Authorised		
1,000,000 ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
Allotted, called up and fully paid		
500,000 (1984 300,000) ordinary shares of £1 each	<u>£500</u>	<u>£300</u>

16. Share premium account and reserves

	<u>Share premium account</u> <u>£000</u>	<u>Revaluation reserve</u> <u>£000</u>	<u>Profit and loss account</u> <u>£000</u>
<u>The group</u>			
At 1st October 1984	11	7	486
Retained profit for the year	-	-	1,015
Capitalisation of reserves	-	-	<u>(200)</u>
At 30th September 1985	<u>£11</u>	<u>£7</u>	<u>£1,301</u>
<u>The company</u>			
At 1st October 1984	11	7	460
Retained profit for the year	-	-	1,015
Capitalisation of reserves	-	-	<u>(200)</u>
At 30th September 1985	<u>£11</u>	<u>£7</u>	<u>£1,275</u>

No provision has been made for taxation which would accrue if the properties were disposed of at their revalued amounts. The potential liability is disclosed in Note 14.

The balance on Share premium account and Revaluation reserve may not be distributed legally under Section 264 of the Companies Act 1985.

17. Capital commitments

Neither the group nor the company had any capital commitments at 30th September 1985 or 30th September 1984.

18. Contingent liabilities

There were no contingent liabilities at 30th September 1985 or 30th September 1984 except in respect of deferred taxation (see Note 14).