

142748/60

PENDLE TRAVEL SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30th September 1983.

(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, again more than doubling its external turnover, which for 1983 amounted to £16,083,853 as against £7,298,950 in 1982. As a result profit before tax has substantially increased, being £461,589 in 1983 as against £175,267 in 1982.

This growth has been achieved partly by the opening of additional travel agency branches during the year, but the major factor has been the establishment of the Tour Operator division, which trades as Air Tours, as a major force within the packaged holiday market.

The directors expect to see growth maintained in the current year and are actively considering further expansion, having plans to increase the travel agency network by the acquisition of further branches. In addition bookings received so far for the 1984 season show a considerable increase over the previous year.

The profit for the year after taxation amounted to £215,506. In view of the onerous bonding requirements, the directors are however unable to recommend payment of a dividend and the profit has therefore been retained.

(3) Directors

The directors in office at the end of the year are listed below, and both served on the Board throughout the year.

Mrs. S. Mbrimi resigned from the Board on 8th March 1983.

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 1982 and at 30th September 1983, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1967, were as follows:

	<u>1983</u>	<u>1982</u>
D. Crossland	70,400	70,392
T. Trickett	34,000	33,996

(4) Fixed Assets

Movements

The principal items of capital expenditure were the purchase of a Freehold Property (£15,000), the purchase of additional Office Equipment and Telephone Equipment (£55,233) necessitated by the expansion of the group.

The net book amount of fixed assets sold during the year was £3,022.

(5) Auditors

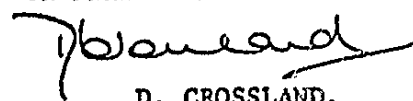
During the year the auditors, Messrs. Pennington Williams resigned and the directors appointed Messrs. Thornton Baker in their place. Thornton Baker offer themselves for reappointment as auditors in accordance with Section 14(1) of the Companies Act 1976.

Registered Office:

19 DEARDENGATE,
HASLINGDEN,
LANCASHIRE.

1st December 1983.

ON BEHALF OF THE BOARD



D. CROSSLAND.

Chairman.

PENDLE TRAVEL SERVICES LIMITED
REPORT OF THE AUDITORS FOR THE YEAR ENDED
30TH SEPTEMBER 1983

REPORT OF THE AUDITORS TO THE MEMBERS OF PENDLE TRAVEL SERVICES LIMITED

We have audited the financial statements on pages 4 to 22. 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 1983, and of its profit and source and application of funds for the year then ended, and comply with the Companies Acts 1948 to 1981.

PRESTON.

1st December 1983.

Thornton Baker
THORNTON BAKER
Chartered Accountants.

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

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 are set out below. The policies have remained unchanged from the previous year apart from that relating to Goodwill on Consolidation which as stated below has been written off against Reserves. The effect of the change is shown in Note 6 to the financial statements.

(a) Basis of Consolidation

The group financial statements consolidate the financial statements of the company and each of its subsidiaries (see Note 8). The financial statements of each company in the group have been prepared to 30th September 1983. All unrealised internal profits are eliminated on consolidation. The profit attributable to members of the company is after deducting the proportion attributable to outside shareholders.

Both subsidiaries transferred their trade to the parent company on 30th September 1982 and from that date have remained dormant throughout the year; accordingly no profit or loss arises in the financial statements of the two subsidiaries.

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 as a principal 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 Property is calculated to write down the cost or valuation by equal annual instalments over the expected useful lives.

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

ACCOUNTING POLICIES (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

(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/period generally applicable are:

Long Leasehold Premises	2%
Short Leasehold Premises	Period of Lease
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 12 nor the Companies Act 1981, Schedule 1, 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) Stock

Stock consists only of stationery stock and is stated at an estimated figure of cost.

(f) Deferred Taxation

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

Provision is made for deferred taxation, except to the extent that there is a reasonable probability of the tax not falling due for payment in the foreseeable future. Such tax not provided for is disclosed as a contingent liability.

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

ACCOUNTING POLICIES (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

(f) Deferred Taxation (Continued)

In view of the difficulty of accurately forecasting the level of capital expenditure available for relief in future years, the Directors have, however, provided for deferred tax on accelerated capital allowances in full.

Transfers to and from deferred taxation are calculated at the rate of corporation tax in force at the end of the period in which the transfers are made, adjusting for any changes in rate as compared with the preceding period.

(g) Foreign Currencies

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

(h) Brochure Cost

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

(i) 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 the provisions of the Companies Act 1981, Schedule 1, Paragraph 21, but believe that this is necessary in order to show a true and fair view.

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

	<u>Note</u>	<u>1983</u>	<u>1982</u>
<u>Turnover</u>	1	16,083,853	7,298,950
<u>Cost of Sales</u>		<u>13,813,417</u>	<u>6,106,945</u>
<u>Gross Profit</u>		2,270,436	1,192,005
 Selling Costs	1,255,060		652,579
Administrative Expenses	255,962		138,417
Other Charges	<u>409,137</u>	<u>1,920,159</u>	<u>277,259</u>
 <u>Operating Profit</u>		350,277	123,750
 Interest Receivable and Sundry Income	2	<u>111,312</u>	<u>51,517</u>
 <u>Profit on Ordinary Activities before Taxation</u>	1	461,589	175,267
 Tax on Profit on Ordinary Activities	4	<u>246,083</u>	<u>98,814</u>
 <u>Profit on Ordinary Activities after taxation</u>		215,506	76,453
 Minority Interests		-	(238)
 Preacquisition Profits of Subsidiary acquired during year		<u>-</u>	<u>(119)</u>
 <u>Profit for the financial year</u>	5	215,506	76,096
 Dividends		<u>-</u>	<u>-</u>
 <u>Profit retained</u>		<u>£ 215,506</u>	<u>£ 76,096</u>
 By the Company		£215,506	£52,528
By Subsidiaries		<u>-</u>	<u>£23,568</u>

The accounting policies and notes on pages 4 to 6 & 11 to 22 form part of these financial statements.

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

GROUP BALANCE SHEET AT 30TH SEPTEMBER 1983

	<u>Note</u>	<u>1983</u>	<u>1982</u>
<u>Fixed Assets</u>			
Intangible Assets	6	28,000	20,542
Tangible Assets	7	321,438	246,668
		<u>349,438</u>	<u>267,210</u>
<u>Current Assets</u>			
Stocks		10,000	9,729
Debtors	9	622,272	266,243
Investments	10	2,105,000	598,000
Cash at Bank and in Hand		315,882	417,117
		<u>3,053,154</u>	<u>1,291,089</u>
<u>Creditors: Amounts falling due within one year</u>	11	<u>2,775,544</u>	<u>1,150,526</u>
<u>Net Current Assets</u>		<u>277,610</u>	<u>140,563</u>
<u>Total Assets less Current Liabilities</u>		<u>627,048</u>	<u>407,773</u>
<u>Creditors: Amounts falling due after more than one year:</u>			
Directors' Loan Accounts		75,000	75,000
Barclays Mercantile Credit Loan		<u>52,800</u>	<u>54,127</u>
	12	<u>127,800</u>	<u>129,167</u>
<u>Provisions for Liabilities</u>			
Deferred Taxation	13	82,461	56,781
<u>Minority Interests</u>		<u>-</u>	<u>398</u>
		<u>210,261</u>	<u>186,346</u>
		<u>£416,787</u>	<u>£221,427</u>
<u>Capital and Reserves</u>			
Called up Share Capital	15	104,400	104,400
Share Premium Account	16	10,800	10,800
Revaluation Reserve	16	7,500	19,926
Profit and Loss Account	16	294,087	86,301
		<u>£416,787</u>	<u>£221,427</u>

The financial statements were approved by the Board of Directors on 1st December 1983.

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

The accounting policies and notes on pages 4 to 6 & 11 to 22 form part of these financial statements.

PENDLE TRAVEL SERVICES LIMITED

BALANCE SHEET AT 30TH SEPTEMBER 1983

	<u>Note</u>	<u>1983</u>	<u>1982</u>
<u>Fixed Assets</u>			
Intangible Assets	6	28,000	-
Tangible Assets	7	321,438	241,017
Investments	8	27,056	27,056
		<u>376,494</u>	<u>268,073</u>
<u>Current Assets</u>			
Stocks		10,000	9,729
Debtors	9	622,272	264,607
Investments	10	2,105,000	598,000
Cash at Bank and in Hand		315,882	416,182
		<u>3,053,154</u>	<u>1,288,518</u>
<u>Creditors: Amounts falling due within one year</u>	11	<u>2,775,544</u>	<u>1,107,493</u>
<u>Net Current Assets</u>		<u>277,610</u>	<u>181,025</u>
<u>Total Assets less Current Liabilities</u>		<u>654,104</u>	<u>449,098</u>
<u>Creditors: Amounts falling due after more than one year</u>	12	180,820	204,574
<u>Provisions for Liabilities</u>			
Deferred Taxation	13	<u>82,461</u>	<u>56,781</u>
		<u>263,281</u>	<u>261,355</u>
		<u>£390,823</u>	<u>£187,743</u>
<u>Capital and Reserves</u>			
Called up Share Capital	15	104,400	104,400
Share Premium Account	16	10,800	10,800
Revaluation Reserve	16	7,500	19,926
Profit and Loss Account	16	268,123	52,617
		<u>£390,823</u>	<u>£187,743</u>

The financial statements were approved by the Board of Directors on 1st December 1983.

.....*D. Crossland*.....D. CROSSLAND)
) DIRECTORS.
*T. Trickett*.....T. TRICKETT)

The accounting policies and notes on pages 4 to 6 & 11 to 22 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 1983

	<u>1983</u>	<u>1982</u>
<u>SOURCE OF FUNDS</u>		
From Operations		
Profit on Ordinary Activities before Taxation	461,589	175,267
Adjustments for items not involving the movement of funds		
Depreciation and Amounts Written Off Fixed Assets	29,566	25,119
(Profit)/Loss on Sale of Fixed Assets	(28)	849
Preacquisition Profit transferred to Goodwill on Consolidation	-	(119)
	<u>29,538</u>	<u>25,849</u>
	491,127	201,116
From Other Sources		
Issue of Share Capital	-	30,900
Shares Issued in consideration for the acquisition of Subsidiary	-	10,800
Proceeds of Disposals of Tangible Fixed Assets	3,050	1,750
Long-term Loan	-	54,167
	<u>3,050</u>	<u>97,617</u>
	494,177	298,733
<u>APPLICATION OF FUNDS</u>		
Tax Paid	1,980	1,337
Purchase of Tangible Fixed Assets	107,358	168,670
Loan Repayments	1,367	26,352
Purchase of Subsidiary	-	12,443
Purchase of Goodwill	28,000	-
	<u>138,705</u>	<u>208,802</u>
	£355,472	£ 89,931
<u>NET INFLOW OF FUNDS</u>		
<u>INCREASE/(DECREASE) IN WORKING CAPITAL</u>		
Group Companies	-	-
Stocks	271	7,319
Debtors	356,029	186,555
Creditors: Amounts falling due within one year	(1,595,069)	(705,161)
	<u>(1,238,769)</u>	<u>(511,287)</u>
Net Liquid Funds		
Cash at Bank and in Hand	87,241	3,218
Short-term Deposits	1,507,000	598,000
	<u>1,594,241</u>	<u>601,218</u>
<u>NET INCREASE IN WORKING CAPITAL</u>	<u>£ 355,472</u>	<u>£ 89,931</u>

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

(1) Turnover and Profit on Ordinary Activities before Taxation

	<u>Turnover</u>	
	<u>1983</u>	<u>1982</u>
Travel Agency	7,441,025	4,430,415
Tour Operator	10,016,828	3,646,535
	<u>17,457,853</u>	<u>8,076,950</u>
<u>Deduct Internal Trading</u>	<u>1,374,000</u>	<u>778,000</u>
	<u>£16,083,853</u>	<u>£7,298,950</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>1983</u>	<u>1982</u>
Auditors' Remuneration	£21,813	£11,283
Depreciation	£29,566	£25,219
Directors' Emoluments (Note 3)	£352,847	£239,263

(2) Interest Receivable and Sundry Income

	<u>1983</u>	<u>1982</u>
Rent Receivable from land, less outgoings	2,915	520
Interest Received	104,441	51,846
Profit/(Loss) on Disposal of Fixed Assets	28	(849)
Profit on Foreign Exchange Dealings	3,928	-
	<u>£111,312</u>	<u>£51,517</u>

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

(3) Directors and Employees

Staff Costs during the year:

	<u>1983</u>	<u>1982</u>
Wages and Salaries	797,124	431,067
Social Security	52,146	48,476
Pension Costs	8,399	-
	<u>£857,669</u>	<u>£479,543</u>

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

	<u>1983</u>	<u>1982</u>
Travel Agency	61	36
Tour Operator	37	14
	<u>98</u>	<u>50</u>

Staff costs include remuneration in respect of directors, as follows:

	<u>1983</u>	<u>1982</u>
Directors Management Remuneration	350,847	239,623
Compensation for Loss of Office	2,000	-
	<u>£352,847</u>	<u>£239,623</u>

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

	<u>1983</u>	<u>1982</u>
The Chairman and Highest Paid Director	<u>£259,198</u>	<u>£150,000</u>
Other Directors		
	<u>1983</u>	<u>1982</u>
	<u>Number</u>	<u>Number</u>
£ 5,001 to £10,000	1	1
£80,001 to £85,000	-	1
£85,001 to £90,000	1	-

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

(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>1983</u>	<u>1982</u>
Corporation Tax @ 52% (1982 52%)	223,000	42,033
Deferred Tax	<u>22,700</u>	<u>48,387</u>
	245,700	90,420
Adjustments in respect of prior years:		
Corporation Tax	(2,597)	-
Deferred Tax	<u>2,980</u>	<u>8,394</u>
	<u>£246,083</u>	<u>£98,814</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.

Finance Act 1972

The directors are of the opinion that technically the income of the company may fall to be apportioned under Schedule 16 to the Finance Act 1972 (as amended). Although the matter has not yet been agreed with the Inland Revenue, the directors believe that no apportionment is likely to be made.

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

(5) Profit for the financial year

1983

As the subsidiaries did not trade during the year, the whole of the profit arises in the financial statements of the parent company.

1982

The company has taken advantage of Section 149(5) of the Companies Act 1948 and has not included its own profit and loss account in these financial statements. The group profit for that year includes £52,528 which is dealt with in the financial statements of the parent company.

(6) Intangible Fixed Assets

	<u>The Group</u>		<u>The Company</u>
	<u>Goodwill on Consolidation</u>	<u>Purchased Goodwill</u>	<u>Purchased Goodwill</u>
Cost			
At 1st October 1982	20,542	-	-
Additions	-	28,000	28,000
Preacquisition Property Revaluation Reserve (Note 16)	(12,426)	-	-
At 30th September 1983	<u>£ 8,116</u>	<u>£28,000</u>	<u>£28,000</u>
Amounts Written Off			
At 1st October 1982	-	-	-
Charges to Reserves	8,116	-	-
At 30th September 1983	<u>£ 8,116</u>	<u>£ -</u>	<u>£ -</u>
Net Book Amount at 30th September 1983	<u>£ Nil</u>	<u>£28,000</u>	<u>£28,000</u>
Net Book Amount at 30th September 1982	<u>£20,542</u>	<u>£ Nil</u>	<u>£ Nil</u>

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

(7) <u>Tangible Fixed Assets</u>	<u>Land and Buildings</u>					
	<u>Total</u>	<u>Freeholds</u>	<u>Long Lease-holds</u>	<u>Short Lease-holds</u>	<u>Fixtures, Fittings and Equipment</u>	<u>Motor Vehicles</u>
<u>The Group and the Company</u>						
<u>Cost or Valuation</u>						
<u>At 1st October 1982</u>						
The Company	279,395	19,514	52,099	54,968	127,213	25,601
Transfers from Subsidiary	11,016	-	-	-	5,869	5,147
The Group	290,411	19,514	52,099	54,968	133,082	30,748
Additions	107,358	15,000	-	2,400	74,068	15,890
	397,769	34,514	52,099	57,368	207,150	46,638
Disposals	(10,694)	-	-	-	-	(10,694)
At 30th September 1983	£387,075	£34,514	£52,099	£57,368	£207,150	£35,944
<u>Depreciation</u>						
<u>At 1st October 1982</u>						
The Company	38,378	-	1,042	5,964	22,205	9,167
Transfers from Subsidiary	5,365	-	-	-	1,846	3,519
The Group	43,743	-	1,042	5,964	24,051	12,686
Provided in the Year	29,566	-	1,042	7,681	13,110	7,733
	73,309	-	2,084	13,645	37,161	20,419
Disposals	(7,672)	-	-	-	-	(7,672)
At 30th September 1983	£ 65,637	£ -	£2,084	£13,645	£37,161	£12,747
<u>Net Book Amount at 30th September 1983</u>	£321,438	£34,514	£50,015	£43,723	£169,989	£23,197
<u>Net Book Amount at 30th September 1982:</u>						
The Group	£246,668	£19,514	£51,057	£49,004	£109,031	£18,062
The Company	£241,017	£19,514	£51,057	£49,004	£105,008	£16,434

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	£57,368

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

(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>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>
At Cost	18,514	3,514	26,099	26,099
At 1980 Valuation	16,000	16,000	-	-
At 1982 Valuation	-	-	26,000	26,000
	<u>£34,514</u>	<u>£19,514</u>	<u>£52,099</u>	<u>£52,099</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>
Cost	3,574	18,500
Accumulated Depreciation	-	740
Net Book Amount at 30th September 1983	<u>£3,574</u>	<u>£17,760</u>
Net Book Amount at 30th September 1982	<u>£3,574</u>	<u>£18,130</u>

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

(8) Fixed Asset Investments

<u>The Company</u>	<u>Shares in Group Companies</u>
Cost	
At 1st October 1982	27,056
Additions	-
At 30th September 1983	<u>£27,056</u>
Amounts Written Off	
At 1st October 1982	Nil
Provided in the Year	-
At 30th September 1983	<u>£ Nil</u>
Net Book Amount at 30th September 1983	<u>£27,056</u>
Net Book Amount at 30th September 1982	<u>£27,056</u>

At 30th September 1983 the company holds more than 10% of the allotted share capital of the following companies.

	<u>Country of Incorporation and Operation</u>	<u>Class of Share Capital Held</u>	<u>Proportion Held</u>	<u>Nature of Business</u>
<u>Subsidiaries</u>				
A.I.R. Tours Limited	England	Ordinary	100%	Travel Agency
Discovering Isle of Man Limited	England	Ordinary	100%	Tour Operator

On 30th September 1982 both these companies transferred their trade to the holding company and have therefore been dormant throughout the year.

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

(9) Debtors

	<u>1983</u>	<u>1982</u>	
	<u>The Group and the Company</u>	<u>The Group</u>	<u>The Company</u>
Amounts falling due with one year:			
Trade Debtors	532,556	193,865	193,077
Other Debtors	35,317	39,048	38,636
Prepayments	54,399	33,330	32,894
	<u>£622,272</u>	<u>£266,243</u>	<u>£264,607</u>

(10) Current Asset Investments

	<u>The Group and the Company</u>	
	<u>1983</u>	<u>1982</u>
Money Market Deposits	2,105,000	548,000
Short-term Deposit	-	50,000
	<u>£2,105,000</u>	<u>£598,000</u>

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

(11) Creditors - Amounts falling due within one year

	<u>1983</u>	<u>1982</u>	
	<u>The Group and the Company</u>	<u>The Group</u>	<u>The Company</u>
Bank Overdraft	1,618	190,094	181,530
Trade Creditors	2,000,395	598,176	596,295
Current Taxation	264,052	45,627	22,759
Social Security and Other Taxes	205,599	156,686	156,686
Other Creditors	184,432	76,043	76,043
Accruals	42,520	52,457	49,929
Directors' Current Accounts	76,928	31,443	24,251
	<u>£2,775,544</u>	<u>£1,150,526</u>	<u>£1,107,493</u>

The bank overdraft is secured by a fixed charge over the Freehold and Long Leasehold Property of the group.

(12) Creditors - amounts falling due after more than one year

	<u>The Group</u>		<u>The Company</u>	
	<u>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>
Amounts owed to Group Companies	-	-	53,020	75,407
Directors' Loan Accounts	75,000	75,000	75,000	75,000
Hire Purchase Loan	52,800	54,167	52,800	54,167
	<u>£127,800</u>	<u>£129,167</u>	<u>£180,820</u>	<u>£204,574</u>

Under the term 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.

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

(13) Provisions for Liabilities

<u>The Group and the Company</u>	<u>Deferred Taxation (Note 14)</u>
At 1st October 1982	56,781
Provided during the year:	
Taxation Charge	25,680
At 30th September 1983	<u>£82,461</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 (1982 £5,978) represent contingent liabilities at the balance sheet date.

<u>The Group and the Company</u>	<u>Amount Provided</u>		<u>Potential Liability</u>	
	<u>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>
Accelerated Capital Allowances	82,461	56,781	82,461	56,781
Unrealised Capital Gains	Nil	Nil	5,978	5,978
	<u>£82,461</u>	<u>£56,781</u>	<u>£88,439</u>	<u>£62,759</u>

(15) Called up Share Capital

	<u>1983 and 1982</u>
Authorised	
1,000,000 Ordinary Shares of £1 each	<u>£1,000,000</u>
Allotted, Called up and Fully Paid	
104,400 Ordinary Shares of £1 each	<u>£104,400</u>

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS(Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

(16) Share Premium Account and Reserves

	<u>Share Premium Account</u>	<u>Revaluation Reserve</u>	<u>Profit and Loss Account</u>
<u>The Group</u>			
At 1st October 1982	10,800	19,926	86,301
Retained Profit for the year			215,506
Minority Interest written back			398
Preacquisition Revaluation Reserve (Note 6)		(12,426)	
Consolidation Adjustment			(2)
Goodwill on Consolidation written off (Note 6)			(8,116)
At 30th September 1983	<u>£10,800</u>	<u>£ 7,500</u>	<u>£294,087</u>
<u>The Company</u>			
At 1st October 1982	10,800	19,926	52,617
Retained Profit for the year			215,506
Amount owed to Group Companies (Note 12)		(12,426)	
At 30th September 1983	<u>£10,800</u>	<u>£ 7,500</u>	<u>£268,123</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 40 of the Companies Act 1980.

PENDLE TRAVEL SERVICES LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30TH SEPTEMBER 1983

(17) Capital Commitments

Neither the group nor the company had any capital commitments at 30th September 1983 or 30th September 1982.

(18) Contingent Liabilities

There were no contingent liabilities at 30th September 1983 or 30th September 1982 except in respect of deferred taxation (see Note 14).