

Registration number 1385533

Selwyns Travel Limited

Director's report and consolidated financial statements

for the year ended 31 December 2006

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Selwyns Travel Limited

Company information

Directors	S A Jones J M Jones J C Jones
Secretary	R E Williams
Company number	1385533
Registered Office	Cavendish Farm Road Weston Runcorn Cheshire WA7 4LU
Auditors	Hurst & Company Accountants LLP Lancashire Gate 21 Tiviot Dale Stockport SK1 1TD
Business address	Cavendish Farm Road Weston Runcorn Cheshire WA7 4LU
Bankers	National Westminster Bank Plc 117 Main Street Frodsham Warrington WA6 7AG
Solicitors	Aaron & Partners Grosvenor Court Foregate Street Chester CH1 1HG

Selwyns Travel Limited

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Selwyns Travel Limited
Directors' report
For the year ended 31 December 2006

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

Principal activity and review of the business

The principal activity of the company and group during the year was that of motor coach proprietors. The directors are satisfied with the performance of the group during the year and expect this level of performance to continue in the foreseeable future. At the year end the trade, assets and liabilities of Hardings Tours Limited, the subsidiary undertaking, were hived up into the parent company, Selwyns Travel Limited.

Directors and their interests

The directors who served during the year and their interest in the company are as stated below

	Class of share	31/12/06	31/12/05 or date of appointment
S A Jones	Ordinary shares	51,278	51,278
	'A' Ordinary shares	1	1
	'B' Ordinary shares	1	1
J M Jones	Ordinary shares	4,809	4,809
	'B' Ordinary shares	1	1
K Jones (Resigned 31 May 2006)	Ordinary shares	7,209	7,209
	'B' Ordinary shares	1	1
J C Jones (Appointed 1 June 2006)	Ordinary shares	799	799
	'B' Ordinary shares	1	1

Charitable and Political Contributions

During the year the group contributed £695 (2005 £1,620) to charities

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to

- select suitable accounting policies and 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.

Selwyns Travel Limited

**Directors' report (continued)
For the year ended 31 December 2006**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him 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.

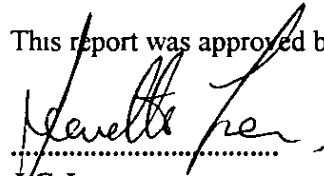
The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

In so far as the directors are aware there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Hurst & Company Accountants LLP be reappointed as auditors of the group will be put to the Annual General Meeting.

This report was approved by the Board on 25/06/07 and signed on its behalf by



J/C Jones
Director

Selwyns Travel Limited

Independent auditors' report to the shareholders of Selwyns Travel Limited

We have audited the financial statements of Selwyns Travel Limited for the year ended 31 December 2006 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of 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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 director's remuneration and transactions with the company 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.

Selwyns Travel Limited

**Independent auditors' report to the shareholders of
Selwyns Travel Limited**

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 group and of the company's affairs as at 31 December 2006 and of the group's profit and cash flows 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 for the year ended 31 December 2006

Hurst & Company Accountants LLP

**Hurst & Company Accountants LLP
Chartered Accountants and
Registered Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
SK1 1TD**

Date 26/6/07

Selwyns Travel Limited

**Consolidated profit and loss account
for the year ended 31 December 2006**

		Continuing operations	
		2006	2005
	Notes	£	£
Turnover	2	9,529,364	8,579,631
Cost of sales		(7,204,241)	(6,575,387)
Gross profit		<u>2,325,123</u>	<u>2,004,244</u>
Administrative expenses		(1,880,306)	(1,632,879)
Operating profit	3	<u>444,817</u>	<u>371,365</u>
Other interest receivable and similar income	5	6,814	3,498
Interest payable and similar charges	6	<u>(130,660)</u>	<u>(129,465)</u>
Profit on ordinary activities before taxation		320,971	245,398
Tax on profit on ordinary activities	10	<u>(63,613)</u>	<u>(54,334)</u>
Profit for the financial year	20	<u><u>257,358</u></u>	<u><u>191,064</u></u>

There are no recognised gains or losses other than the profit for the above two financial years

The notes on pages 9 to 23 form an integral part of these financial statements.

Selwyns Travel Limited

Consolidated balance sheet as at 31 December 2006

	Notes	2006		2005	
		£	£	£	£
Fixed assets					
Intangible assets	11		125,000		-
Tangible assets	12		5,163,767		4,496,050
			<u>5,288,767</u>		<u>4,496,050</u>
Current assets					
Stocks	14	78,695		126,845	
Debtors	15	1,262,750		1,110,429	
Cash at bank and in hand		404,034		227,601	
		<u>1,745,479</u>		<u>1,464,875</u>	
Creditors: amounts falling due within one year	16	(2,008,198)		(1,980,942)	
Net current liabilities			<u>(262,719)</u>		<u>(516,067)</u>
Total assets less current liabilities			<u>5,026,048</u>		<u>3,979,983</u>
Creditors: amounts falling due after more than one year	17		(1,682,842)		(951,355)
Provision for liabilities and charges	18		(605,349)		(548,129)
Net assets			<u>2,737,857</u>		<u>2,480,499</u>
Capital and reserves					
Called up share capital	19		64,100		64,100
Revaluation reserve	20		21,710		21,710
Profit and loss account	20		2,652,047		2,394,689
Shareholders' funds	21		<u>2,737,857</u>		<u>2,480,499</u>

The financial statements were approved by the Board on 25th June 2007 and signed on its behalf by

.....
S A Jones
Director

The notes on pages 9 to 23 form an integral part of these financial statements.

Selwyns Travel Limited

Company balance sheet as at 31 December 2006

	Notes	2006		2005	
		£	£	£	£
Fixed assets					
Intangible assets	11		125,000		-
Tangible assets	12		5,163,767		4,496,050
Investments	13		1		-
			<u>5,288,768</u>		<u>4,496,050</u>
Current assets					
Stocks	14	78,695		126,845	
Debtors	15	1,268,108		1,110,429	
Cash at bank and in hand		404,034		227,601	
		<u>1,750,837</u>		<u>1,464,875</u>	
Creditors: amounts falling due within one year	16	(2,008,198)		(1,980,942)	
Net current liabilities			<u>(257,361)</u>		<u>(516,067)</u>
Total assets less current liabilities			<u>5,031,407</u>		<u>3,979,983</u>
Creditors: amounts falling due after more than one year	17		(1,682,842)		(951,355)
Provision for liabilities and charges	18		(605,349)		(548,129)
Net assets			<u>2,743,216</u>		<u>2,480,499</u>
Capital and reserves					
Called up share capital	19		64,100		64,100
Revaluation reserve	20		21,710		21,710
Profit and loss account	20		2,657,406		2,394,689
Shareholders' funds	21		<u>2,743,216</u>		<u>2,480,499</u>

The financial statements were approved by the Board on 25th June 2007 and signed on its behalf by

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S A Jones
Director

The notes on pages 9 to 23 form an integral part of these financial statements.

Selwyns Travel Limited

**Consolidated cash flow statement
for the year ended 31 December 2006**

	Notes	2006 £	2005 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		444,817	371,365
Depreciation		658,579	699,892
(Loss)/profit on disposal of fixed assets		34,601	(4,574)
Amortisation of goodwill		25,000	-
Decrease/(increase) in stocks		54,329	(17,846)
(Increase) in debtors		(152,321)	(100,545)
(Decrease)/increase in creditors		(17,780)	388,874
Net cash inflow from operating activities		<u>1,047,225</u>	<u>1,337,166</u>
Cash flow statement			
Net cash inflow from operating activities		1,047,225	1,337,166
Returns on investment and servicing finance	26	(123,846)	(125,967)
Taxation	26	(32,847)	(4,376)
Capital expenditure	26	262,599	175,512
Purchase of subsidiary undertaking	28	(535,179)	-
		<u>617,952</u>	<u>1,382,335</u>
Financing	26	(441,519)	(1,188,749)
Increase in cash in the year		<u>176,433</u>	<u>193,586</u>
Reconciliation of net cash flow to movement in net debt (Note 27)			
Increase in cash in the year		176,433	193,586
Cash outflow from decrease in debts and lease financing		961,519	1,188,749
		<u>1,137,952</u>	<u>1,382,335</u>
Change in net debt resulting from cash flows		1,137,952	1,382,335
New finance leases and hire purchase contracts		(1,764,496)	(54,747)
		<u>(626,544)</u>	<u>1,327,588</u>
Movement in net debt in the year		<u>(626,544)</u>	<u>1,327,588</u>
Net debt at 1 January 2006		(1,494,036)	(2,821,624)
Net debt at 31 December 2006		<u>(2,120,580)</u>	<u>(1,494,036)</u>

Selwyns Travel Limited

Notes to the financial statements for the year ended 31 December 2006

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and comply with the financial reporting standards of the Accounting Standards Board

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary up to 31 December 2006

1.3 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year

1.4 Purchased goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years

1.5 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Leasehold properties	- Straight line over the life of the lease
Plant & machinery	- Over asset life of 3-10 years
Fixtures, fittings and equipment	- 10%-35% on a reducing balance basis
Motor vehicles	- 25% on a reducing balance basis

Motor Coaches less than five years old are written down to 50% of their new value at year five. The depreciation rate will take into account the date of acquisition. The remaining depreciation is provided at rates to ensure the motor coaches are depreciated on a systematic basis over their estimated useful economic lives

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

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

1.7 Investments

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

Selwyns Travel Limited

Notes to the financial statements for the year ended 31 December 2006

1.8 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items

1.9 Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year

1.10 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account

2. Turnover

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

3. Operating profit	2006 £	2005 £
Operating profit is stated after charging		
Depreciation	658,579	699,892
Amortisation	25,000	-
Loss on disposal of tangible fixed assets	34,601	(4,574)
Operating lease rentals		
- Land and buildings	65,159	50,831
Auditors' remuneration	15,500	13,900
Loss on foreign exchange	139	101
	<u> </u>	<u> </u>

Selwyns Travel Limited

Notes to the financial statements for the year ended 31 December 2006

4. Profit of parent company

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit for the financial year amounted to £262,717

5. Interest receivable and similar income

2006	2005
£	£
Bank interest	
6,814	3,498
<u>6,814</u>	<u>3,498</u>

6. Interest payable and similar charges

2006	2005
£	£
Interest payable on loans < 1 yr	
1,784	1,863
Interest payable on directors' loan accounts	
168	2,188
Hire purchase interest	
128,708	125,414
<u>130,660</u>	<u>129,465</u>

7. Employees

2006	2005
------	------

Number of employees

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

Drivers and maintenance	166	161
Sales and administration	39	33
	<u>205</u>	<u>194</u>

Employment costs

2006	2005
£	£
Wages and salaries	
3,447,939	3,491,797
Social security costs	
322,467	341,302
Pension costs	
10,528	12,953
<u>3,780,934</u>	<u>3,846,052</u>

Selwyns Travel Limited

**Notes to the financial statements
for the year ended 31 December 2006**

8. Directors' emoluments	2006	2005
	£	£
Remuneration and other emoluments	66,816	88,379
Pension contributions	4,475	10,500
	<hr/>	<hr/>
	71,291	98,879
	<hr/>	<hr/>

9. Pension costs

The group operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the group and amounted to £10,528 (2005 - £12,953).

Selwyns Travel Limited

Notes to the financial statements for the year ended 31 December 2006

10. Tax on profit on ordinary activities

Analysis of charge in period	2006 £	2005 £
Current tax		
UK corporation tax	6,387	32,841
Adjustments in respect of previous periods	6	(124)
	<u>6,393</u>	<u>32,717</u>
Deferred tax		
Timing differences, origination and reversal	57,220	21,617
Total deferred tax	<u>57,220</u>	<u>21,617</u>
Tax on profit on ordinary activities	<u>63,613</u>	<u>54,334</u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (19 per cent) (2005 19%) The differences are explained below

	2006 £	2005 £
Profit on ordinary activities before tax	<u>320,971</u>	<u>245,398</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 December 2005 19%)	60,984	46,626
Effects of:		
Expenses not deductible for tax purposes	1,756	7,832
Capital allowances for period in excess of depreciation	(56,993)	(21,617)
Adjustments to tax charge in respect of previous periods	6	(124)
Capital assets expensed	640	-
Current tax charge for period	<u>6,393</u>	<u>32,717</u>

Selwyns Travel Limited

**Notes to the financial statements
for the year ended 31 December 2006**

11. Intangible fixed assets – group	Goodwill	2006
	£	£
Cost		
At 1 January 2006	-	-
Additions	150,000	150,000
	<hr/>	<hr/>
At 31 December 2006	150,000	150,000
	<hr/>	<hr/>
Amortisation		
At 1 January 2006	-	-
Charge for year	25,000	25,000
	<hr/>	<hr/>
At 31 December 2006	25,000	25,000
	<hr/>	<hr/>
Net book values		
At 31 December 2006	125,000	125,000
	<hr/>	<hr/>
Intangible fixed assets – company	Goodwill	2006
	£	£
Cost		
At 1 January 2006	-	-
Transferred from subsidiary	150,000	150,000
	<hr/>	<hr/>
At 31 December 2006	150,000	150,000
	<hr/>	<hr/>
Amortisation		
At 1 January 2006	-	-
Transferred from subsidiary	25,000	25,000
	<hr/>	<hr/>
At 31 December 2006	25,000	25,000
	<hr/>	<hr/>
Net book values		
At 31 December 2006	125,000	125,000
	<hr/>	<hr/>

Selwyns Travel Limited

**Notes to the financial statements
for the year ended 31 December 2006**

12. Tangible fixed assets	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Group					
Cost					
At 1 January 2006	16,764	134,384	126,776	6,856,502	7,134,426
Additions	-	20,153	11,462	1,658,801	1,690,416
Disposals	-	-	-	(945,903)	(945,903)
At 31 December 2006	16,764	154,537	138,238	7,569,400	7,878,939
Depreciation					
At 1 January 2006	6,457	46,290	86,637	2,498,992	2,638,376
On disposals	-	-	-	(581,783)	(581,783)
Charge for the year	3,156	14,204	19,332	621,887	658,579
At 31 December 2006	9,613	60,494	105,969	2,539,096	2,715,172
Net book values					
At 31 December 2006	7,151	94,043	32,269	5,030,304	5,163,767
At 31 December 2005	10,307	88,094	40,139	4,357,510	4,496,050
Company					
Cost					
At 1 January 2006	16,764	134,384	126,776	6,856,502	7,134,426
Additions	-	15,655	11,462	1,658,801	1,685,918
Transfer from subsidiary	-	4,498	-	-	4,498
Disposals	-	-	-	(945,903)	(945,903)
At 31 December 2006	16,764	154,537	138,238	7,569,400	7,878,939
Depreciation					
At 1 January 2006	6,457	46,290	86,637	2,498,992	2,638,376
On disposals	-	-	-	(581,783)	(581,783)
Charge for the year	3,156	14,204	18,774	621,887	658,021
Transfer from subsidiary	-	-	558	-	558
At 31 December 2006	9,613	60,494	105,969	2,539,096	2,715,172
Net book values					
At 31 December 2006	7,151	94,043	32,269	5,030,304	5,163,767
At 31 December 2005	10,307	88,094	40,139	4,357,510	4,496,050

Selwyns Travel Limited

Notes to the financial statements for the year ended 31 December 2006

12. Tangible fixed assets (continued)

Group and company

Included within motor vehicles are cherished number plates valued by Elite registrations at £14,600 (2005 £14,600) during December 2000, on the basis of open market value

Included above are assets held under hire purchase contracts as follows

Asset description	2006		2005	
	NBV £	Depreciation £	NBV £	Depreciation £
Plant and machinery	41,408	6,936	48,344	6,403
Motor vehicles	3,667,508	328,108	2,999,844	443,959
	<u>3,708,916</u>	<u>335,044</u>	<u>3,048,188</u>	<u>450,362</u>

13. Fixed asset investments - company

	Undertakings and participating interests £	Total £
Cost		
At 1 January 2006	-	-
Additions	1	1
	<u>1</u>	<u>1</u>
At 31 December 2006		
	<u>1</u>	<u>1</u>
Net book value		
At 31 December 2006	1	1

13.1 Holdings of 20% or more

The company holds 20% or more of the share capital of the following company

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Hardings Tours Limited	UK	Dormant	Ordinary	100%

Selwyns Travel Limited

**Notes to the financial statements
for the year ended 31 December 2006**

14. Stocks				
			2006	2005
Group			£	£
Raw materials and consumables			78,695	126,845
			<u>78,695</u>	<u>126,845</u>
Company				
Raw materials and consumables			78,695	126,845
			<u>78,695</u>	<u>126,845</u>
15. Debtors	Group	Group	Company	Company
	2006	2005	2006	2005
	£	£	£	£
Trade debtors	815,779	775,271	815,779	775,271
Amounts owed by subsidiary company	-	-	5,358	-
Other debtors	116,690	45,118	116,690	45,118
Prepayments and accrued income	330,281	290,040	330,281	290,040
	<u>1,262,750</u>	<u>1,110,429</u>	<u>1,268,108</u>	<u>1,110,429</u>
16. Creditors: amounts falling due within one year	Group	Group	Company	Company
	2006	2005	2006	2005
	£	£	£	£
Net obligations under hire purchase contracts	841,772	770,282	841,772	770,282
Trade creditors	621,957	642,015	621,957	642,015
Corporation tax	6,387	32,841	6,387	32,841
Other taxes and social security costs	109,458	99,330	109,458	99,330
Directors' accounts	2,269	36,981	2,269	36,981
Other creditors	88,383	100,064	88,383	100,064
Accruals and deferred income	337,972	299,429	337,972	299,429
	<u>2,008,198</u>	<u>1,980,942</u>	<u>2,008,198</u>	<u>1,980,942</u>

Hire purchase and finance lease balances are secured on the assets to which they relate

Selwyns Travel Limited

**Notes to the financial statements
for the year ended 31 December 2006**

17. Creditors: amounts falling due after more than one year	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
Net obligations under hire purchase contracts	1,682,842	951,355	1,682,842	951,355
	<u>1,682,842</u>	<u>951,355</u>	<u>1,682,842</u>	<u>951,355</u>
18. Provision for deferred taxation			2006 £	2005 £
Group				
Accelerated capital allowances			605,349	548,129
			<u>548,129</u>	
Provision at 1 January 2006			548,129	
Deferred tax charge in profit and loss account			57,220	
Provision at 31 December 2006			<u>605,349</u>	
			2006 £	2005 £
Company				
Accelerated capital allowances			605,349	548,129
			<u>548,129</u>	
Provision at 1 January 2006			548,129	
Deferred tax charge in profit and loss account			57,220	
Provision at 31 December 2006			<u>605,349</u>	

Selwyns Travel Limited

Notes to the financial statements for the year ended 31 December 2006

19. Share capital	2006 £	2005 £
Authorised		
64,095 Ordinary shares of £1 each	64,095	64,095
1 'A' Ordinary share of £1 each	1	1
4 'B' Ordinary shares of £1 each	4	4
	<u>64,100</u>	<u>64,100</u>
Allotted, called up and fully paid		
64,095 Ordinary shares of £1 each	64,095	64,095
1 'A' Ordinary share of £1 each	1	1
4 'B' Ordinary shares of £1 each	4	4
	<u>64,100</u>	<u>64,100</u>

All classes of share rank pari passu in all material respects

20. Reserves	Revaluation Reserve £	Profit and loss account £	Total £
Group			
At 1 January 2006	21,710	2,394,689	2,416,399
Retained profit for the year	-	257,358	257,358
At 31 December 2006	<u>21,710</u>	<u>2,652,047</u>	<u>2,673,757</u>
Company			
At 1 January 2006	21,710	2,394,689	2,416,399
Retained profit for the year	-	262,717	262,717
At 31 December 2006	<u>21,710</u>	<u>2,657,406</u>	<u>2,679,116</u>

Selwyns Travel Limited

Notes to the financial statements for the year ended 31 December 2006

21.	Reconciliation of movements in shareholders' funds	2006 £	2005 £
	Group		
	Profit for the year	257,358	191,064
	Opening shareholders' funds	2,480,499	2,289,435
	Closing shareholders' funds	2,737,857	2,480,499
	Company		
	Profit for the year	262,717	191,064
	Opening shareholders' funds	2,480,499	2,289,435
	Closing shareholders funds	2,743,216	2,480,499

22. Financial commitments

At 31 December 2006 the group and the company had annual commitments under non-cancellable operating leases as follows

	Land & buildings		Other	
	2006 £	2005 £	2006 £	2005 £
Expiry date:				
Within one year	-	8,831	-	1,232
Between one and five years	6,000	-	1,520	-
In over five years	42,000	42,000	-	-
	48,000	50,831	1,520	1,232

Selwyns Travel Limited
Notes to the financial statements
for the year ended 31 December 2006

23. Transactions with directors

The following directors had interest free loans during the year. The movements in the loans are as follows

	Amount owing 2006	2005	Maximum amount due in year
	£	£	£
S A Jones	21,206	-	21,206
	<hr/>	<hr/>	<hr/>

Since the year-end the above director's overdrawn loan account balance has been repaid in full

A) The balances on the directors' loan accounts are as follows: S A Jones £21,206 overdrawn (2005 credit balance of £12,786), J M Jones £21,981 credit balance (2005 credit balance of £21,981) and J C Jones £160 credit balance (2005 credit balance of £602)

B) Interest has been paid by the group at a commercial rate on the loan balances. Net interest credited to the directors' loan accounts of S A Jones, J M Jones and J C Jones was £Nil (2005 £947), £158 (2005 £1,628) and £10 (2005 £38) respectively

C) During the year, the group paid rent of £42,000 (2005 £42,000) to S A Jones, a director of the company. This is in respect of the main trading premises and is equivalent to market rent

24. Related party transactions

The group has taken advantage of the exemptions available under FRS 8 not to disclose related party transactions with group companies as the transactions are included within the consolidated accounts

25. Controlling interest

The company is under the ultimate control of S A Jones who has a beneficial interest in 81% of the issued share capital

Selwyns Travel Limited

**Notes to the financial statements
for the year ended 31 December 2006**

26.	Gross cash flows		2006	2005	
			£	£	
	Returns on investments and servicing of finance				
	Interest received		6,814	3,498	
	Interest paid		(130,660)	(129,465)	
			<u>(123,846)</u>	<u>(125,967)</u>	
	Taxation				
	Corporation tax paid		(32,847)	(4,376)	
	Capital expenditure				
	Payments to acquire tangible assets		(66,920)	(347,978)	
	Receipts from sale of tangible fixed assets		329,519	523,490	
			<u>262,599</u>	<u>175,512</u>	
	Financing				
	Receipts from lease financing		520,000	-	
	Capital element of finance leases and hire purchase contracts		(961,519)	(1,188,749)	
			<u>(441,519)</u>	<u>(1,188,749)</u>	
27.	Analysis of changes in net debt	Opening balance	Cash flows	Other changes	Closing balance
		£	£	£	£
	Cash at bank and in hand	227,601	176,433	-	404,034
		<u>227,601</u>	<u>176,433</u>	<u>-</u>	<u>404,034</u>
	Finance leases and hire purchase contracts	(1,721,637)	961,519	(1,764,496)	(2,524,614)
	Net debt	<u>(1,494,036)</u>	<u>1,137,952</u>	<u>(1,764,496)</u>	<u>(2,120,580)</u>

Selwyns Travel Limited

**Notes to the financial statements
for the year ended 31 December 2006**

28. Purchase of subsidiary undertaking	£
Net assets acquired	
Tangible fixed assets	379,000
Stocks	6,179
	<hr/>
	385,179
Goodwill	150,000
	<hr/>
	535,179
	<hr/>
Satisfied by	
Cash	535,179
	<hr/>