

Selwyns Travel Limited

Registered number: 01385533

Annual report and financial statements

For the year ended 31 December 2018



SELWYNS TRAVEL LIMITED

COMPANY INFORMATION

Directors	S A Jones C H Carniel A M P Slavin C Odgen (appointed 14 January 2019)
Registered number	01385533
Registered office	Busways House Wellington Road Twickenham TW2 5NX
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor One St Peter's Square Manchester M2 3DE

SELWYNS TRAVEL LIMITED

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SELWYNS TRAVEL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The directors present their strategic report for the year ended 31 December 2018.

Business review

The Company is a wholly owned subsidiary of RATP Dev UK Limited. The principal activities of the Company continues to be the provision of road passenger transport services in the North West area of the United Kingdom.

As shown in the Company's Statement of Comprehensive Income on page 8, turnover increased by 1% mainly due to contractual revenue performing well in the year from a combination of route renewals and new routes from schools and airports. Gross margin has decreased from 25% to 20% resulting in a gross profit of £2,944,501. This has been achieved in difficult trading conditions and the directors expect this difficulty to continue.

Fixed overheads have also increased and coupled with the decrease in gross margin, the operating margin has decreased from 4.3% to (1.7)% and an operating loss of £(243,987).

The Statement of Financial Position on page 9 shows the Company continues to maintain a strong financial position albeit net assets have decreased from £4,916,968 to £4,167,305.

Financial key performance indicators

Turnover (£'000)	14,605	14,465
Gross profit (£'000)	2,945	3,553
Gross profit percentage (%)	20	25
Operating profit (£'000)	(244)	618
Operating margin (%)	(2)	4
Profit before tax (£'000)	(297)	569
Turnover growth (%)	1	3
EBITDA (%)	(6)	12
Turnover per employee (£'000)	59	60
Operating profit per employee (£'000)	(1)	3

Future outlook

The directors consider the market conditions in the United Kingdom will be difficult given the overall economic situation. However, the directors are engaged in a mid term turnaround plan and continuing to focus on all aspects of the business which will enable the Company to generate a satisfactory result in the future.

10% of staff are EU nationals, this has reduced year on year due to the uncertainty surrounding Brexit and availability of staff remains challenging as a result but could get worse. A no deal Brexit will push up the price and availability of spare parts as Volvo and Scania are built in Sweden within the EU.

SELWYNS TRAVEL LIMITED-

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Principal risks and uncertainties

The directors have established a continuing process of risk management within the Company to evaluate, monitor and manage potential risks and uncertainties that could have an impact upon the Company's long-term performance. The directors have also established a strong culture of safety and security both for staff and passengers.

The specific principal risks facing the Company include increasing labour, fuel and insurance costs along with driver shortage.

By far the largest element of the Company's operating costs relates to the cost of labour. The directors have established a process of monitoring all aspects of recruitment, training, personal development and remuneration to reduce this risk.

Fuel costs are heavily influenced by external factors. The directors regularly monitor market forces to ensure appropriate fuel hedging contracts are in place to alleviate the risk.

The Company is also exposed to increased insurance costs. The Company manages this risk by the implementation of new technology to aid accident prevention along with driver training and awareness. The Company regularly monitors the level of insurance claims in consultation with its insurers to ensure that appropriate provisions are made. The directors regularly review the insurance cover needed by the Company.

This report was approved by the board on

26th September 2019 and signed on its behalf.



S.A. Jones
Director

SELWYNS TRAVEL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Results and dividends

The loss for the year, after taxation, amounted to £249,663 (2017 -profit £484,110).

Dividends of £500,000 have been declared and are outstanding at the year end (2017 - £450,000).

Directors

The directors who served during the year were:

S A Jones
C H Carniel (appointed 22 November 2018)
H C Goodbourn (resigned 10 May 2019)
B Hayton (resigned 20 February 2019)
A M P Slavin (appointed 2 January 2018)
G Prince (resigned 1 October 2018)
R E Williams (resigned 2 January 2018)
T D W Jackson (resigned 31 October 2018)
J Keenan (appointed 17 May 2019, resigned 22 August 2019)

Directors limited liability insurance

The Company maintains directors' and officers' liability insurance in respect of legal action that might be brought against its directors. The Company has indemnified each of its directors and other officers of the Company against certain liabilities that may be incurred as a result of their offices.

Future developments

The directors remain optimistic that there will be continued growth in the business.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Going Concern

The Company's forecasts and projections show that the Company is expected to be able to operate within the working capital facilities available to it for at least 12 months from the date of approval of the financial statements. In addition, the immediate parent company, RATP Dev UK Ltd, has provided written confirmation of its intention to continue support for at least 12 months following the balance sheet date. The directors' therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 of the large and medium sized Companies and Groups (accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relates to financial instruments which have been considered under the principal risk header.

SELWYNS TRAVEL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 accounting 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; and
- 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 to 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.

Disclosure of information to auditor

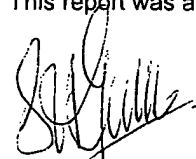
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *26th September 2019* and signed on its behalf.



S A Jones
Director

SELWYNS TRAVEL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELWYNS TRAVEL LIMITED

Opinion

We have audited the financial statements of Selwyns Travel Limited (the 'Company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 1.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

SELWYNS TRAVEL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELWYNS TRAVEL LIMITED

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

SELWYNS TRAVEL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELWYNS TRAVEL LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

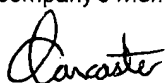
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 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 auditor's 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.



Charlene Lancaster (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
One St Peter's Square
Manchester
M2 3DE

Date: 27 September 2019

SELWYNS TRAVEL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	14,604,867	14,465,008
Cost of sales		(11,660,366)	(10,912,033)
Gross profit		<u>2,944,501</u>	<u>3,552,975</u>
Administrative expenses		(3,188,488)	(2,935,010)
Operating (loss)/profit	5	(243,987)	617,965
Interest receivable and similar income	9	29	1,120
Interest payable and expenses	10	(53,461)	(50,555)
(Loss)/profit before tax		<u>(297,419)</u>	<u>568,530</u>
Tax on (loss)/profit	11	47,756	(84,420)
(Loss)/profit for the financial year		<u><u>(249,663)</u></u>	<u><u>484,110</u></u>

All amounts relate to continuing activities.

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 11 to 28 form part of these financial statements.

SELWYNS TRAVEL LIMITED
REGISTERED NUMBER: 01385533

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible fixed assets	13	21,754	32,746
Tangible assets	14	7,039,255	7,410,511
		<u>7,061,009</u>	<u>7,443,257</u>
Current assets			
Stocks	15	190,855	314,199
Debtors: amounts falling due within one year	16	1,660,089	1,568,934
Cash at bank and in hand	17	18,738	352,974
		<u>1,869,682</u>	<u>2,236,107</u>
Creditors: amounts falling due within one year	18	(3,565,235)	(2,648,772)
Net current liabilities		<u>(1,695,553)</u>	<u>(412,665)</u>
Total assets less current liabilities		<u>5,365,456</u>	<u>7,030,592</u>
Creditors: amounts falling due after more than one year	19	(735,931)	(1,363,164)
		<u>4,629,525</u>	<u>5,667,428</u>
Provisions for liabilities			
Deferred taxation	21	(374,678)	(422,434)
Other provisions	22	(87,542)	(328,026)
		<u>(462,220)</u>	<u>(750,460)</u>
Net assets		<u><u>4,167,305</u></u>	<u><u>4,916,968</u></u>
Capital and reserves			
Called up share capital	23	64,100	64,100
Profit and loss account	24	4,103,205	4,852,868
Shareholders' funds - equity		<u><u>4,167,305</u></u>	<u><u>4,916,968</u></u>

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


S A Jones
 Director

20th September 2019

The notes on pages 11 to 28 form part of these financial statements.

SELWYNS TRAVEL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	64,100	4,818,758	4,882,858
Comprehensive income for the year			
Profit for the year	-	484,110	484,110
Total comprehensive income for the year	-	484,110	484,110
Dividends: Equity capital (Note 12)	-	(450,000)	(450,000)
Total transactions with owners	-	(450,000)	(450,000)
At 1 January 2018	64,100	4,852,868	4,916,968
Comprehensive income for the year			
Loss for the year	-	(249,663)	(249,663)
Total comprehensive income for the year	-	(249,663)	(249,663)
Dividends: Equity capital (Note 12)	-	(500,000)	(500,000)
Total transactions with owners	-	(500,000)	(500,000)
At 31 December 2018	64,100	4,103,205	4,167,305

The notes on pages 11 to 28 form part of these financial statements.

SELWYNS TRAVEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

The Company is a private company limited by share capital incorporated in England and Wales. The address of its registered office is: Busways House, Wellington Road, Twickenham, Middlesex, TW2 5NX.

The principal activity of the Company is that of motor coach proprietors.
The functional and presentational currency is GBP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of Regie Autonome des Transports Parisiens as at 31 December 2018 and these financial statements may be obtained from www.ratp.fr.

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)**2.3 Going concern**

The Company's forecasts and projections show that the Company is expected to be able to operate within the working capital facilities available to it for at least 12 months from the date of approval of the financial statements. In addition, the immediate parent company, RATP Dev UK Ltd, has provided written confirmation of its intention to continue support for at least 12 months following the balance sheet date. The Company therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

2.4 Impact of new international reporting standards, amendments and interpretations**IFRS 9**

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 9 from 1 January 2018.

IFRS 15

From 1 January 2018, the Company has applied IFRS 15 using the cumulative effect method.

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 15 from 1 January 2018.

2.5 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Rendering of services

Revenue is recognised as a performance obligation satisfied over time. Revenue is measured in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
 - It is probably that the Company will receive the consideration due under the contract;
 - The stage of completion of the contract at the end of the reporting period can be measured reliably;
- and
- The costs incurred and the costs to complete the contract can be measured reliably.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)**2.6 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows.

Depreciation is provided on the following basis:

Long-term leasehold property	-	3% straight line
Leasehold property improvements	-	10% straight line
Plant and machinery	-	10% straight line
Motor vehicles	-	13% straight line or 15% reducing balance depending on the use
Fixtures and fittings	-	10% reducing balance
Office equipment	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)**2.10 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities**Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)**2.10 Financial instruments (continued)****At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the *amortised cost of a financial liability and of allocating interest expense over the relevant period*. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.11 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)**2.15 Leased assets: the Company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.16 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.18 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)**2.20 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The critical accounting judgments are considered by the Directors to be the rate of depreciation for property, plant and equipment, and the recognition of provisions for insurance claims. Both of these judgments have been estimated using prior knowledge of similar assets average useful lives, and prior experiences of the likelihood of insurance claims.

4. Turnover

	2018 £	2017 £
Rendering of services	14,604,867	14,465,008

All turnover arose within the United Kingdom.

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	1,029,059	1,096,007
Impairment of goodwill	(10,992)	(10,992)
Defined contribution pension cost	128,054	103,525
Operating lease expenses	770,701	394,828
	<u>770,701</u>	<u>394,828</u>

6. Auditor's remuneration

Fees payable to the Company's auditor and its associates in respect of:

Fees for audit services	17,000	16,500
Other fees payable	1,550	1,500
	<u>18,550</u>	<u>18,000</u>

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	6,483,626	6,017,902
Social security costs	598,924	559,441
Cost of defined contribution scheme	128,054	103,525
	<u>7,210,604</u>	<u>6,680,868</u>

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

	2018 No.	2017 No.
Administration	36	35
Production	212	207
	<u>248</u>	<u>242</u>

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	274,127	304,990
Company contributions to defined contribution pension schemes	23,549	23,115
	<u>297,676</u>	<u>328,105</u>

During the year retirement benefits were accruing to 4 directors (2017 -4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £105,810 (2017 -£93,864).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,766 (2017 -£8,766).

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Interest receivable

	2018 £	2017 £
Other interest receivable	29	1,120
	<u>29</u>	<u>1,120</u>

10. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	9,694	1,124
Finance lease interest payable	43,767	49,431
	<u>53,461</u>	<u>50,555</u>

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	-	121,108
Adjustments in respect of previous periods	-	(12,825)
	<u>-</u>	<u>108,283</u>
Total current tax	<u>-</u>	<u>108,283</u>
Deferred tax		
Origination and reversal of timing differences	(47,756)	(23,863)
Total deferred tax	<u>(47,756)</u>	<u>(23,863)</u>
Taxation on (loss)/profit on ordinary activities	<u>(47,756)</u>	<u>84,420</u>

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017 -lower than) the standard rate of corporation tax in the UK of 19% (2017 -19.25%). The differences are explained below:

	2018 £	2017 £
(Loss)/profit on ordinary activities before tax	(297,419)	568,530
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 -19.25%)	(56,510)	109,442
Effects of:		
Fixed asset differences	4,030	6,227
Adjustments to tax charge in respect of prior periods	-	(12,825)
Adjust closing deferred rate to average rate	(44,155)	(55,825)
Adjust opening deferred rate to average rate	49,597	58,883
Deferred tax not recognised	(800)	(1,767)
Payment for group relief	-	121,108
Group relief claimed	-	(121,108)
Other factors resulting in a decrease in tax charge	82	(19,715)
Total tax charge for the year	(47,756)	84,420

12. Dividends

	2018 £	2017 £
Equity dividends paid	500,000	450,000
	<u>500,000</u>	<u>450,000</u>

Dividends paid and declared in the year were £7.80 per share (2017: £7.02 per share).

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Goodwill

	2018 £
Cost	
At 1 January 2018	109,951
At 31 December 2018	<u>109,951</u>
Amortisation	
At 1 January 2018	77,205
Charge for the year	10,992
At 31 December 2018	<u>88,197</u>
Net book value	
At 31 December 2018	<u><u>21,754</u></u>
<i>At 31 December 2017</i>	<u><u>32,746</u></u>

The goodwill balance relates to the Company's acquisition of 100% of the ordinary share capital in Hayton Executive Travel Limited on 1 December 2011, which is now a dormant entity registered at the same address as Selwyns Travel Limited.

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2018	1,103,088	442,924	14,306,403	322,451	16,174,866
Additions	570,775	45,775	173,791	33,515	823,856
Disposals	-	-	(785,238)	-	(785,238)
At 31 December 2018	<u>1,673,863</u>	<u>488,699</u>	<u>13,694,956</u>	<u>355,966</u>	<u>16,213,484</u>
Depreciation					
At 1 January 2018	155,941	311,854	8,019,956	276,604	8,764,355
Charge for the year on owned assets	39,233	35,788	935,966	18,072	1,029,059
Disposals	-	-	(619,185)	-	(619,185)
At 31 December 2018	<u>195,174</u>	<u>347,642</u>	<u>8,336,737</u>	<u>294,676</u>	<u>9,174,229</u>
Net book value					
At 31 December 2018	<u>1,478,689</u>	<u>141,057</u>	<u>5,358,219</u>	<u>61,290</u>	<u>7,039,255</u>
At 31 December 2017	<u>947,147</u>	<u>131,070</u>	<u>6,286,447</u>	<u>45,847</u>	<u>7,410,511</u>

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Long leasehold	<u>1,478,689</u>	<u>947,147</u>
	<u>1,478,689</u>	<u>947,147</u>

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Motor vehicles	2,826,669	3,226,421
	<u>2,826,669</u>	<u>3,226,421</u>

15. Stocks

	2018 £	2017 £
Raw materials and consumables	190,855	314,199
	<u>190,855</u>	<u>314,199</u>

The amount of stock recognised as an expense in the year was £2,985,070 (2017: £2,964,427).

16. Debtors

	2018 £	2017 £
Trade debtors	486,565	525,831
Other debtors	836,920	744,687
Prepayments and accrued income	237,571	204,480
Tax recoverable	99,033	93,936
	<u>1,660,089</u>	<u>1,568,934</u>

The average credit period given is 12 days (2017 - 13 days). No interest has been charged on receivable balances.

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

17. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	18,738	352,974
Less: bank overdrafts	(752,649)	(412,406)
	<u>(733,911)</u>	<u>(59,432)</u>

18. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	752,649	412,406
Trade creditors	305,754	517,880
Amounts owed to group undertakings	1,235,983	445,866
Other taxation and social security	335,096	180,880
Obligations under finance lease and hire purchase contracts	626,204	696,966
Other creditors	170,057	202,431
Accruals and deferred income	139,492	192,343
	<u>3,565,235</u>	<u>2,648,772</u>

19. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	735,931	1,363,164
	<u>735,931</u>	<u>1,363,164</u>

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

20. Hire purchase and finance leases

The present value of minimum lease payments is analysed as follows:

	2018 £	2017 £
Within one year	626,204	696,966
Between 1-5 years	735,931	1,363,164
	<u>1,362,135</u>	<u>2,060,130</u>

21. Deferred taxation

	2018 £	2017 £
At beginning of year	(422,434)	(446,297)
Credited to profit or loss	47,756	23,863
At end of year	<u>(374,678)</u>	<u>(422,434)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(382,587)	(423,237)
Short term timing differences	1,759	803
Losses and other deductions	6,150	-
	<u>(374,678)</u>	<u>(422,434)</u>

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

22. Provisions

	Insurance provision £
At 1 January 2018	328,026
Charged to profit or loss	(240,484)
At 31 December 2018	87,542

The provision is in respect of insurance claims and is expected to be utilised over the next five years.

23. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
64,095 Ordinary shares shares of £1.00 each	64,095	64,095
1 Ordinary A shares share of £1.00	1	1
1 Ordinary B shares share of £1.00	1	1
1 Ordinary C shares share of £1.00	1	1
1 Ordinary D shares share of £1.00	1	1
1 Ordinary E shares share of £1.00	1	1
	<hr/> 64,100 <hr/>	<hr/> 64,100 <hr/>

All shares carry the same right to vote, receive dividends and capital distributions.

24. Reserves**Profit and loss account**

This reserve represents accumulated profits and losses.

25. Contingent liabilities

The Company is included in a Group Composite Guarantee with its bankers in relation to group account netting overdraft facility. The liability at the year end was £nil (2017: £nil).

SELWYNS TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

26. 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 £128,054 (2017 - £103,525). Contributions totalling £15,331 (2017 - £5,395) were payable to the fund at the balance sheet date.

27. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Within one year	828,166	715,235
Between 2 and 5 years	1,921,895	2,052,471
	<u>2,750,061</u>	<u>2,767,706</u>

28. Related party transactions

The Company leases premises from S A Jones, a director of the Company, for £48,000 per annum (2017 - £48,000).

J C Hughes is a close family member of S A Jones. The Company leases premises from J C Hughes for £28,800 per annum (2017 - £28,800).

29. Controlling party

The Company's immediate parent company is RATP Dev UK Limited.

The ultimate parent is Regie Autonome des Transports Parisiens. These financial statements are available upon request from 54, Quai de la Rapee, LAC LA 30, 75012, Paris.