

SEIB Travel Limited

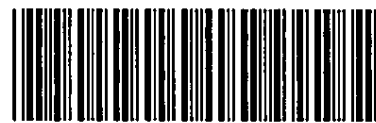
Company No. 02502933

Financial Statements

For the year ended

31 December 2007

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COMPANIES HOUSE

SEIB Travel Limited

Company Information

Director

B W Fehler

Secretary

J Fehler

Registered Office

South Essex House, North Road
South Ockendon
Essex
RM15 5BE

Bankers

Barclays Bank plc
54 Lombard Street
London
EC3P 3AH

Auditors

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

SEIB Travel Limited

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SEIB Travel Limited

Director's Report For the year ended 31 December 2007

The director presents his report and financial statements for the year ended 31 December 2007

Principal activities

The principal activity of the company during the year was that of an investment holding company

Director

The following director has held office since 1 January 2007

B W Fehler

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Kingston Smith LLP be reappointed as auditors of the company will be put to the Annual General Meeting

Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the director to prepare financial statements for each financial year which 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 those financial statements, the director is required to

- select suitable accounting policies and then 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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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

Statement of disclosure to auditor

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

On behalf of the board



B W Fehler

Director

14th March 2008

SEIB Travel Limited

Independent Auditors' Report To the Shareholders of SEIB Travel Limited

We have audited the financial statements of SEIB Travel Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, and whether in our opinion the information given in the director's report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the director's 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 director 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.

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 company's affairs as at 31 December 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the director's report is consistent with the financial statements.

Kingston Smith LLP
Kingston Smith LLP

Chartered Accountants
Registered Auditors

Date *14th March 2008*

Devonshire House
60 Goswell Road
London
EC1M 7AD

SEIB Travel Limited

Profit And Loss Account For the year ended 31 December 2007

	Notes	2007 £	2006 £
Turnover			
Continuing operations	-	-	
Discontinued activities	-	2,367,815	
		<hr/>	<hr/>
		-	2,367,815
Cost of sales		(6,214)	(2,188,126)
		<hr/>	<hr/>
Gross (loss)/profit		(6,214)	179,689
Administrative expenses		(6,175)	(578,171)
Other operating income		438,412	-
		<hr/>	<hr/>
Operating profit/(loss)	3		
Discontinued activities		426,023	(398,482)
		<hr/>	<hr/>
		426,023	(398,482)
Profit on sale of intangible assets		-	458,362
		<hr/>	<hr/>
Profit on ordinary activities before interest		426,023	59,880
Other interest receivable and similar income	4	1,143	3,500
Amounts written off investments	5	(60,448)	-
Interest payable and similar charges	6	(446)	(217)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		366,272	63,163
Tax on profit on ordinary activities	7	-	59,048
		<hr/>	<hr/>
Profit for the year	13	366,272	122,211
		<hr/>	<hr/>

There are no recognised gains and losses other than those passing through the profit and loss account

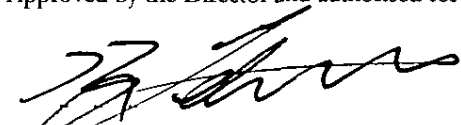
SEIB Travel Limited

Balance Sheet As at 31 December 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	8	5,924	9,849
Investments	9	224,233	284,681
		<u>230,157</u>	<u>294,530</u>
Current assets			
Debtors	10	-	274
Cash at bank and in hand		7,060	93,954
		<u>7,060</u>	<u>94,228</u>
Creditors amounts falling due within one year	11	<u>(93,343)</u>	<u>(611,156)</u>
Net current liabilities		<u>(86,283)</u>	<u>(516,928)</u>
Total assets less current liabilities		<u>143,874</u>	<u>(222,398)</u>
Capital and reserves			
Called up share capital	12	600,000	600,000
Profit and loss account	13	(456,126)	(822,398)
Shareholders' funds	14	<u>143,874</u>	<u>(222,398)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Director and authorised for issue on 14th March 2008



B W Fehler

Director

SEIB Travel Limited

Notes To The Financial Statements For the year ended 31 December 2007

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention. The policies remain unchanged from the previous year.

The company receives ongoing financial support from its parent company, South Essex Insurance Group Limited. The director has personally assured that South Essex Insurance Group Limited is committed to providing financial support to the company for as long as needs be and that withdrawal thereof will not be required until the company's financial position allows so as not to jeopardise the company's going concern status nor to prejudice the interests of the creditors. For this reason the director believes that the company will have sufficient funds to meet its day to day obligations and that it is appropriate that the financial statements should be prepared on a going concern basis.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents commission receivable for services net of VAT and discounts and is recognised on the basis of the underlying bookings' departure date.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Motor vehicles	- 4 years straight line
----------------	-------------------------

1.5 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 a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Investments

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

1.7 Deferred taxation

In accordance with FRS 19, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date.

1.8 Foreign currency translation

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

SEIB Travel Limited

Notes To The Financial Statements (continued) For the year ended 31 December 2007

1 Accounting policies

(continued)

19 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of South Essex Insurance Group Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

2 Cost of sales and net operating expenses

	2007			2006		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	£	£	£	£	£	£
Cost of sales	-	6,214	6,214	-	2,188,126	2,188,126
Administrative expenses	-	6,175	6,175	-	578,171	578,171
Other operating income	-	(438,412)	(438,412)	-	-	-
	-	(426,023)	(426,023)	-	2,766,297	2,766,297

3 Operating profit/(loss)

	2007	2006
	£	£
Operating profit/(loss) is stated after charging		
Depreciation of tangible assets	1,975	2,748
Loss on disposal of tangible assets	-	6,277
Loss on foreign exchange transactions	-	17,578
Auditors' remuneration	2,035	6,559

Other operating income of £438,412 relates to amounts released on loans from group undertakings.

4 Investment income

	2007	2006
	£	£
Bank interest	1,143	3,500

5 Amounts written off investments

	2007	2006
	£	£
Amounts written off fixed asset investments		
- temporary diminution in value	60,448	-

SEIB Travel Limited

Notes To The Financial Statements (continued) For the year ended 31 December 2007

6	Interest payable	2007	2006
		£	£
	Bank interest	74	-
	Hire purchase interest	372	217
		<u>446</u>	<u>217</u>
7	Taxation	2007	2006
		£	£
	Domestic current year tax		
	U K corporation tax	-	(59,048)
		<u>-</u>	<u>(59,048)</u>
	Current tax charge		
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	366,272	63,163
		<u>366,272</u>	<u>63,163</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	109,882	18,949
		<u>109,882</u>	<u>18,949</u>
	Effects of		
	Non deductible expenses	19,621	50
	Depreciation add back	593	2,708
	Capital allowances	-	(1,915)
	Income adjustment	(131,524)	(137,510)
	Difference in estimating quantum of profits for tax provisioning	1,428	32,103
	Chargeable disposals	-	26,567
		<u>(109,882)</u>	<u>(77,997)</u>
	Current tax charge	<u>-</u>	<u>59,048</u>

SEIB Travel Limited

Notes To The Financial Statements (continued) For the year ended 31 December 2007

8 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2007	18,783
Disposals	(8,250)
	<hr/>
At 31 December 2007	10,533
	<hr/>
Depreciation	
At 1 January 2007	8,934
On disposals	(6,300)
Charge for the year	1,975
	<hr/>
At 31 December 2007	4,609
	<hr/>
Net book value	
At 31 December 2007	5,924
	<hr/>
At 31 December 2006	9,849
	<hr/>

Included above are assets held under finance leases or hire purchase contracts as follows

	Motor vehicles
	£
Net book values	
At 31 December 2007	5,924
	<hr/>
At 31 December 2006	7,899
	<hr/>
Depreciation charge for the year	
At 31 December 2007	1,975
	<hr/>
At 31 December 2006	2,634
	<hr/>

SEIB Travel Limited

Notes To The Financial Statements (continued) For the year ended 31 December 2007

9 Fixed asset investments

	Listed investments	Shares in group undertakings and participating interests	Total
	£	£	£
Cost			
At 1 January 2007 & at 31 December 2007	234,681	50,000	284,681
Provisions for diminution in value			
At 1 January 2007	-	-	-
Charge for the year	60,448	-	60,448
At 31 December 2007	60,448	-	60,448
Net book value			
At 31 December 2007	174,233	50,000	224,233
At 31 December 2006	234,681	50,000	284,681
Market value			
	£		
At 31 December 2007	177,789		
At 31 December 2006	199,123		

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Speedbird Travel Limited	England and Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2007 £	Profit for the year 2007 £
Speedbird Travel Limited	Principal activity Travel agency	363,759	538,361

SEIB Travel Limited

Notes To The Financial Statements (continued) For the year ended 31 December 2007

10 Debtors	2007	2006
	£	£
Other debtors	-	274

11 Creditors amounts falling due within one year	2007	2006
	£	£
Net obligations under hire purchase contracts	1,875	6,375
Amounts owed to group undertakings	83,730	570,481
Taxation and social security	-	2,300
Other creditors	7,738	32,000
	93,343	611,156

Net obligations under hire purchase contracts

Repayable within one year	2,030	6,902
Finance charges and interest allocated to future accounting periods	(155)	(527)
	1,875	6,375

12 Share capital	2007	2006
	£	£
Authorised		
750,000 Ordinary shares of £1 each	750,000	750,000
Allotted, called up and fully paid		
600,000 Ordinary shares of £1 each	600,000	600,000

13 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 January 2007	(822,398)
Profit for the year	366,272
Balance at 31 December 2007	(456,126)

SEIB Travel Limited

Notes To The Financial Statements (continued) For the year ended 31 December 2007

14	Reconciliation of movements in shareholders' funds	2007 £	2006 £
	Profit for the financial year	366,272	122,211
	Opening shareholders' funds	(222,398)	(344,609)
	Closing shareholders' funds	<u>143,874</u>	<u>(222,398)</u>

15 Contingent liabilities

Under the terms of the business transfer agreement dated 7 August 2006 the company provided certain warranties and indemnities to the buyer. The maximum aggregate liability in respect of all claims under the warranties is £469,362. No claim under any of these warranties or indemnities has been made to date.

16 Control

The company's parent undertaking is South Essex Insurance Group Limited, registered in England and Wales.

The ultimate controlling party is B W Fehler by virtue of his ownership of 100% of the issued share capital in South Essex Insurance Group Limited.

17 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

South Essex Insurance Group Limited prepares group financial statements, copies of which can be obtained from South Essex House, North Road, Ockendon, Essex RM15 5BE.