

APS-SELECT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2007



Company Number 02842310 (England and Wales)

APS-SELECT LIMITED

Company Information

Directors	H D S Ellis A D Sturt
Secretary	A Waite
Company Number	02842310
Registered Office	Collingbourne House Spencer Court 140-142 High Street Wandsworth London SW18 4JJ
Auditors	Jeremy Marc Andrews Chartered Accountants and Registered Auditors Milroy House Sayers Lane Tenterden Kent TN30 6BW

APS-SELECT LIMITED

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APS-SELECT LIMITED

Directors' Report for the Year Ended 31 May 2007

The directors present their report and the accounts for the year ended 31 May 2007

DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 year. In preparing those financial statements, the directors are required to,

- a) select suitable accounting policies and then apply them consistently,
- b) make judgements and estimates that are reasonable and prudent,
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

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 them to ensure 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.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of tour operators in ski holidays and chalet operations.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The directors consider that reasonable performance was achieved during the year. The company's expansion into other resorts effected its operating profit for the year but is expected to have a positive impact in future years. The directors consider that the company is now in a strong position within its market sector.

RESULTS AND DIVIDENDS

The results for the year are set out on page 6.

The directors paid an interim dividend of £100,000 (£2.00p per share in respect of all the company's ordinary shares) (2006: £100,000 £2.00p per share).

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were

	Number of shares					
	2007			2006		
	Ordinary Shares	'B' Ordinary Shares	'C' Ordinary Shares	Ordinary Shares	'B' Ordinary Shares	'C' Ordinary Shares
H D S Ellis	-	12,500	-	-	12,500	-
A D Sturt	-	-	25,000	-	-	25,000

Mrs T Ellis (wife of H D S Ellis) owns 12,500 'A' ordinary shares in the company at 31 May 2007 (2006: 12,500 'A' ordinary shares).

AUDITORS

In accordance with section 386 of the Companies Act 1985, Jeremy Marc Andrews are deemed to be reappointed as auditors.

APS-SELECT LIMITED

Directors' Report for the Year Ended 31 May 2007

continued

INFORMATION TO AUDITORS

- a) so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- b) each of the directors has taken all the steps that he ought to have taken as director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

FINANCIAL INSTRUMENTS

The companies principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, loans to the company and finance lease agreements. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The company makes use of money market facilities where funds are available.

In respect of loans these comprise loans from the directors and loans from financial institutions. The interest rate on the loans from financial institutions is variable but the monthly repayments are fixed. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments. The loans from the directors are interest free and payable on demand. The directors are aware of the company's required finance and have determined that these will only be repaid, in whole or in part, when finance is available.

The company is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed in the same way as loans above.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

By order of the board



H D S Ellis
Director

Date 22nd June 2007

**INDEPENDENT AUDITORS' REPORT TO APS-SELECT LIMITED UNDER SECTION 247B OF THE
COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 6 to 16, together with the full accounts of APS-Select Limited for the year ended 31 May 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

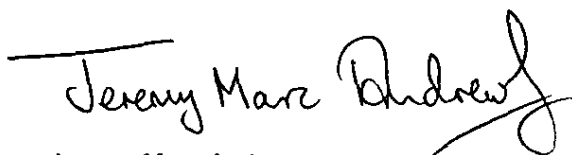
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 (The special auditors report on abbreviated accounts in the United Kingdom) issued by the Auditing Practices Board. In accordance with that Bulletin, we have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 6 to 16 are properly prepared in accordance with that provision.



Jeremy Marc Andrews
Chartered Accountants and Registered Auditors
Milroy House
Sayers Lane
Tenterden
Kent
TN30 6BW

Dated 22nd June 2007

APS-SELECT LIMITED

**Profit and Loss Account
for the year ended 31 May 2007**

	Notes	2007 £	2006 £
GROSS PROFIT	2	2,477,480	2,212,789
Other operating charges		(121,562)	(105,044)
Administrative expenses		(2,208,347)	(1,883,041)
		<u> </u>	<u> </u>
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST - Continuing operations	3	147,571	224,704
Interest receivable	4a	20,438	19,669
Interest payable	4b	(12,433)	(17,892)
Loss on disposal of fixed assets		(-)	(6,399)
Income from fixed asset investments	5	50,000	-
		<u> </u>	<u> </u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		205,576	220,082
Tax on profit on ordinary activities	6	(47,423)	(75,013)
		<u> </u>	<u> </u>
Profit on ordinary activities after taxation and profit for the financial year		£158,153 =====	£145,069 =====

There were no recognised gains or losses either in the current or preceding year other than those recorded in the profit and loss account

The notes on pages 9 to 16 form part of these accounts

APS-SELECT LIMITED

Balance Sheet as at 31 May 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	8	118,301	75,292
Goodwill	9	4,750	-
Investment in subsidiary	10	2,000	1
		<u>125,051</u>	<u>75,293</u>
CURRENT ASSETS			
Debtors	11	1,167,477	813,149
Cash at bank and in hand		682,136	470,035
		<u>1,849,613</u>	<u>1,283,184</u>
CREDITORS			
Amounts falling due within one year	12	(1,470,781)	(914,145)
NET CURRENT ASSETS		<u>378,832</u>	<u>369,039</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>503,883</u>	<u>444,332</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	(2,281)	(883)
NET ASSETS		<u>£501,602</u>	<u>£443,449</u>
CAPITAL AND RESERVES			
Called up share capital	14	50,000	50,000
Profit and loss account	15	451,602	393,449
SHAREHOLDERS' FUNDS - all equity		<u>£501,602</u>	<u>£443,449</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

These accounts were approved by the Board of Directors on 22nd June 2007 and were signed on its behalf by


H D S Ellis, Esq
Director

The notes on pages 9 to 16 form part of these accounts

APS-SELECT LIMITED

**Reconciliation of Movements in Shareholders' Funds
for the year ended 31 May 2007**

	2007 £	2006 £
Profit for the financial year	158,153	145,069
Interim dividends paid	(100,000)	(100,000)
	-----	-----
Net addition to shareholders' funds	58,153	45,069
Opening shareholders' funds at 1 June 2006	443,449	398,380
	-----	-----
Closing shareholders' funds at 31 May 2007	£501,602	£443,449
	=====	=====

Shareholders' funds are wholly attributable to equity interests

APS-SELECT LIMITED

Notes to the Accounts for the year ended 31 May 2007

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

1.1 Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards include the results of the company's operations which are described in the directors' report and all of which are continuing

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts

1.3 Consolidation

The company and its subsidiary comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts

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 or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Leasehold improvements	20% straight line basis
Motor vehicles	25% reducing balance basis
Office machinery	25% straight line basis
Fixtures & fittings	20% straight line basis

1.5 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets. Assets required by hire purchase are depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future years. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant yearly rate of charge on the net obligation outstanding in each year

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end

1.9 Goodwill

Purchased goodwill is amortised on a straight-line basis over its estimated useful economic life. The directors currently estimate the goodwill's useful economic life to be 5 years commencing in the year ended 31 May 2008

APS-SELECT LIMITED

Notes to the Accounts for the year ended 31 May 2007

2. Gross Profit

Gross profit comprises turnover and other operating income, less cost of sales

3. Operating profit

The operating profit is stated after charging	2007	2006
	£	£
Loss on disposal of tangible fixed assets	23	1,335
Depreciation of tangible fixed assets		
- owned by the company	51,884	42,560
Audit	6,000	5,580
Other services	870	1,020
Directors' remuneration	3,600	3,600
Operating lease rentals - other	69,939	79,550
- vehicles	79,874	67,614
	=====	=====

Staff numbers and costs (including directors)	2007	2006
Sales & distribution	96	86
Administration	14	10
	-----	-----
	110	96
	=====	=====

Aggregate payroll	£	£
Wages & salaries	629,739	572,137
Social security costs	64,132	45,166
Pensions	-	-
	-----	-----
	693,871	617,303
	=====	=====

4. (a) Interest receivable

	2007	2006
	£	£
On bank deposits	20,438	19,669
	-----	-----
	20,438	19,669
	=====	=====

(b) Interest payable

On subordinated loans	-	686
On bank overdraft	12,433	17,206
	-----	-----
	12,433	17,892
	=====	=====

APS-SELECT LIMITED

Notes to the Accounts for the year ended 31 May 2007

5. Income from fixed asset investments

	2007	2006
	£	£
Dividends from APS-Select Travel Ltd - paid £25 per ordinary share (2006 £nil)	50,000	-
	-----	-----
	50,000	-
	=====	====

6. Taxation

	2007	2006
	£	£
UK Corporation Tax at 24.08% payable (2006 - 24.34%)	20,664	42,204
Net French Corporation Tax payable	17,150	25,706
	-----	-----
	37,814	67,910
French corporation tax payable/recoverable - prior years	8,211	11,252
UK corporation tax recoverable - prior years	(-)	(5,032)
	-----	-----
	46,025	74,130
Deferred taxation origination and reversal of timing differences	1,398	883
	-----	-----
	47,423	75,013
	=====	=====

Factors affecting the tax charge for the year

	2007	2006
	£	£
Profit on ordinary activities at UK Corporation Tax rate	37,463	53,568
Expenses not deductible for tax purposes	1,303	1,988
Capital allowances for the period in excess of depreciation	957	4,102
French corporation tax not recovered	(1,909)	8,252
	-----	-----
	37,814	67,910
	=====	=====

7. Dividends payable - company

	2007	2006
	£	£
Dividends - interim paid on 'A' ordinary shares (£2.00p per share)	25,000	25,000
- interim paid on 'B' ordinary shares (£2.00p per share)	25,000	25,000
- interim paid on 'C' ordinary shares (£2.00p per share)	50,000	50,000
	-----	-----
	100,000	100,000
	=====	=====

APS-SELECT LIMITED

Notes to the Accounts for the year ended 31 May 2007

8. Tangible Fixed Assets

	Fixtures & Fittings £	Leasehold Improvements £	Office Machinery £	Totals £
COST				
At 1 June 2006	160,440	7,584	32,033	200,057
Additions	75,389	-	19,527	94,916
Disposals	(36,492)	-	(7,720)	(44,212)
At 31 May 2007	199,337	7,584	43,840	250,761
DEPRECIATION				
At 1 June 2006	97,549	4,813	22,403	124,765
Charge for year	41,549	1,398	8,937	51,884
Eliminated on disposal	(36,476)	-	(7,713)	(44,189)
At 31 May 2007	102,622	6,211	23,627	132,460
NET BOOK VALUES				
At 31 May 2007	£96,715	£1,373	£20,213	£118,301
At 31 May 2006	£62,891	£2,771	£9,630	£75,292

9. Goodwill

	Coastline £	Total £
<u>Cost</u>		
Additions	4,750	4,750
Disposals	-	-
As at 31 May 2007	4,750	4,750
<u>Depreciation</u>		
Charge for the year	-	-
Eliminated on disposal	-	-
As at 31 May 2007	-	-
<u>Net Book Value</u>		
As at 31 May 2007	£4,750	£4,750

APS-SELECT LIMITED

Notes to the Accounts for the year ended 31 May 2007

10 Investment in subsidiary

The company's investment in its subsidiary undertaking represents the cost of acquisition of the whole of the ordinary share capital of APS-Select Travel Limited which provides flight services

At 31 May 2007, the aggregate of the share capital and reserves of APS-Select Travel Limited amounted to £44,764 (2006 £1) and the profit for the year to that date was £42,764, (2006 £nil)

	2007	2006
	£	£
Cost of investment	2,000	1
	-----	--
	2,000	1
	=====	=
Net assets of at year end	44,764	1
	-----	--
	44,764	1
	=====	=

The company is exempt from preparing group accounts under section 248 Companies Act 1985 as it qualifies under those provisions as a medium-sized group

11. Debtors

	2007	2006
	£	£
Due within one year		
Trade debtors	725,053	518,995
Other debtors	442,424	289,122
Corporation tax	-	5,032
	-----	-----
	1,167,477	813,149
	=====	=====

12. Creditors: Amounts falling due within one year

	2007	2006
	£	£
Trade creditors	1,012,135	492,449
Other creditors	437,982	379,492
Corporation tax payable	20,664	42,204
	-----	-----
	1,470,781	914,145
	=====	=====

Included within other creditors is an amount of £64,564 (2006 £48,613) relating to social security and other taxes

APS-SELECT LIMITED

Notes to the Accounts for the year ended 31 May 2007

13. Provisions for liabilities and charges

	2007	2006
	£	£
Deferred taxation		
Opening balance	883	-
Movement in year		
- on accelerated capital allowances	1,398	883
	-----	-----
Closing balance	2,281	883
	=====	=====

The amounts provided are as follows

Accelerated capital allowances	2,281	883
	=====	=====

14. Called Up Share Capital

	2007	2006
	£	£
Authorised		
Ordinary shares of £1 each	4,950,000	4,950,000
'A' ordinary shares of £1 each	12,500	12,500
'B' ordinary shares of £1 each	12,500	12,500
'C' ordinary shares of £1 each	25,000	25,000
	-----	-----
Total	5,000,000	5,000,000
	=====	=====
Allotted, issued and fully paid		
Ordinary shares of £1 each	-	-
'A' ordinary shares of £1 each	12,500	12,500
'B' ordinary shares of £1 each	12,500	12,500
'C' ordinary shares of £1 each	25,000	25,000
	-----	-----
Total	50,000	50,000
	=====	=====

15. Reserves

Profit and Loss Account

	2007	2006
	£	£
Opening balance	393,449	348,380
Profit for the year	158,153	145,069
	-----	-----
Dividends paid	551,602	493,449
	(100,000)	(100,000)
	-----	-----
Closing balance funds	451,602	393,449
	=====	=====

APS-SELECT LIMITED

Notes to the Accounts for the year ended 31 May 2007

16. Financial Instruments

The company's financial instruments comprise cash and various items such as trade debtors and trade creditors that arise directly from its operations

As permitted by FRS 13 short term debtors and creditors have been excluded from the disclosures, other than currency disclosures

a) Interest rate profile

At the year end the group had no bank or other financial borrowings or obligations. The company had no financial assets other than cash deposits of £688,692 (2006 £470,035) which are part of the financial arrangements of the company. Of these cash deposits, an amount equivalent to £78,809 was held in Euros (2006 £69,432) and £16,369 in Swiss Francs (2006 £nil) with the remainder being in sterling

b) Currency exposures

The table below shows the company's currency exposures. Such exposures comprise the monetary assets and monetary liabilities of the company that are not denominated in sterling. As at 31 May 2007 these exposures were as follows -

	Net foreign currency monetary assets (Euros)	
	2007	2006
Functional currency of company	£	£
Sterling	127,269 =====	88,827 =====
Forward Currency Contracts		
	2007	2006
	Euros £	Euros £
Euros	6,000,000 4,034,302	5,380,000 3,722,486
	-----	-----
	6,000,000 4,034,302	5,380,000 3,722,486
	=====	=====

The company has no currency swaps or other derivatives at 31 May 2007

c) Fair values of financial assets and liabilities.

There are no material differences between the fair values of any of the company's financial assets and liabilities and their book values at 31 May 2007

17. Related Party Transactions

During the year property search fees were paid to Alpine Property Search Limited, (a company for which A D Sturt Esq. is a director), amounting to £61,000 (2006 £64,168) on normal commercial terms and conditions. The company paid consultancy fees to H D S Ellis (a director of the company) amounting to £70,000 (2006 £45,000) on normal commercial terms and conditions.

APS-SELECT LIMITED

Cash Flow Statement for the year ended 31 May 2007

	2007	2006
	£	£
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	147,571	224,704
Depreciation	51,884	42,560
Loss on disposal of fixed assets	23	1,335
Amortisation of goodwill	-	-
(Increase)/Decrease in debtors	(354,328)	61,302
Increase/(Decrease) in creditors	556,636	(138,950)
Increase in provisions for liabilities and charges	1,398	883
	<u>403,184</u>	<u>191,834</u>
Taxation	47,423	75,013
	<u>355,761</u>	<u>116,821</u>
Returns on investment and servicing of finance		
Acquisition of investment in subsidiary company	(1,999)	(1)
Interest received	20,438	19,669
Interest paid	(12,433)	(17,892)
Loss on disposal of fixed assets	(-)	(6,399)
Dividends received	50,000	-
	<u>56,006</u>	<u>(4,623)</u>
Cash (outflow)/inflow from returns on investment and servicing of finance	-	(53,000)
	<u>56,006</u>	<u>(57,623)</u>
Capital expenditure		
Purchase of goodwill	4,750	-
Purchase of tangible fixed assets	94,916	15,583
Sale of tangible fixed assets	(-)	(-)
	<u>99,666</u>	<u>15,583</u>
Cash outflow from capital expenditure	312,101	43,615
Dividends		
Equity dividends paid	(100,000)	(100,000)
Increase/(Decrease) in cash	<u>212,101</u>	<u>(56,385)</u>