

Radical Travel Group Limited

**Directors' report and financial
statements**

Registered number SC136334

31 December 2006



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Independent auditors' report to the members of Radical Travel Group Limited	3
Income Statement	5
Statement of changes in equity	6
Balance Sheet	7
Cash Flow Statement	8
Notes	9

Directors' report

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

Principal activities

The principal activity of the company during the year was the operation of coach tours and general sales agent

Business review

Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be maintained for the foreseeable future

Results and dividends

The profit for the year after taxation was £127,678 (2005 £217,406) The directors do not recommend the payment of a dividend (2005 £nil)

Financial instruments

Details of the company's financial risk management objectives and policies are included in note 18 to the financial statements

Directors and directors' interests

The directors who held office during the year were as follows

AM Campbell
DID Howie

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company (2005 £nil)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

During the year Hargreaves, Brown & Benson resigned and KPMG LLP were appointed as auditors of the company In accordance with Section 384 of the Companies Act 1985 a resolution for the re appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



DID Howie
Secretary

7/9 Blackfriars Street
Edinburgh
EH1 1NB

6 August 2007

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards and applicable law.

The financial statements are required by law to 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 estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditors' report to the members of Radical Travel Group Limited

We have audited the financial statements of Radical Travel Group Limited ('the company') which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement and the Statement of Changes in Equity 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 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 2.

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 whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition, we 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 directors' remuneration and other transactions 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 judgments 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.

Independent auditors' report to the members of Radical Travel Group Limited *(continued)*

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at 31 December 2006 and of its profit 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



KPMG LLP
Chartered Accountants
Registered Auditor

25/8/ 2007

Income Statement

for the year ended 31 December 2006

	Note	2006 £	2005 £
Revenue	2	2,199,531	2 679,367
Cost of sales		(906,894)	(873,085)
Gross profit		1,292,637	1 806 282
Administrative expenses		(1,134,191)	(1 477,202)
Other operating income		35,437	11,017
Operating profit	3	193,883	340,097
Financial income	6	9,988	15,327
Financial expenses	7	(20,389)	(31,444)
Profit before taxation		183,482	323,980
Taxation	8	(55,804)	(106,574)
Profit for the year		127,678	217,406

All of the activities of the Company are classed as continuing. The Company has no recognised gains or losses other than the results for the year as set out above.

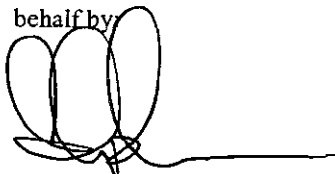
Statement of changes in equity
for year ended 31 December 2006

	Share capital £	Retained Earnings £	Total £
Balance at 1 January 2005	15,100	818,056	833,156
Profit for the year		217,406	217,406
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2006	15,100	1,035,462	1,050,562
	<hr/>	<hr/>	<hr/>
Profit for the year		127,678	127,678
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2006	15,100	1,163,140	1,178,240
	<hr/>	<hr/>	<hr/>

Balance Sheet
at 31 December 2006

	<i>Note</i>	2006 £	2005 £
Non current assets			
Plant and equipment	9	679,901	929,767
Investments	10	694,985	725,253
Total non current assets		1,374,886	1,655,020
Current assets			
Inventory	12	2,046	3,555
Trade and other receivables	13	527,073	156,790
Cash and cash equivalents		246,204	149,160
Total current liabilities		775,323	309,505
Total assets		2,150,209	1,964,525
Non current liabilities			
Loans and borrowings	15	(144,203)	(263,202)
Deferred tax liabilities	11	(62,089)	(61,173)
Total non current liabilities		(206,292)	(324,375)
Current liabilities			
Trade and other payables	14	(600,192)	(316,433)
Tax payable		(54,888)	(83,599)
Loans and borrowings	16	(110,597)	(189,556)
Total current liabilities		(765,677)	(589,588)
Total liabilities		(971,969)	(913,963)
Net assets		1,178,240	1,050,562
Equity			
Share capital	17	15,100	15,100
Retained Earnings		1,163,140	1,035,462
Total Equity		1,178,240	1,050,562

These financial statements were approved by the board of directors on behalf by



AM Campbell
Director

2007 and were signed on its

Cash Flow Statement
for the year ended 31 December 2006

	<i>Note</i>	2006 £	2005 £
Cash flows from operating activities			
Profit for the year		127,678	217,406
<i>Adjustments for</i>			
Depreciation	9	165,694	178,960
Financial income		(9,988)	(15,327)
Financial expense		20,389	31,444
Gain on sale of property, plant and equipment		(35,422)	(11,017)
Taxation		55,804	106,574
Operating profit before changes in working capital		324,155	508,040
Decrease in inventories		1,509	1,656
Increase in trade and other receivables		(370,283)	(41,027)
Increase / (decrease) in trade and other payables		283,745	(82,021)
Cash generated from operations		239,126	386,648
Interest paid		(20,389)	(31,444)
Tax paid		(83,599)	(84,256)
Net cash from operating activities		135,138	270,948
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		238,500	50,000
Acquisition of property, plant and equipment	9	(118,906)	(13,365)
Proceeds from sale of investments		30,268	
Acquisition of other investments			(187,483)
Interest received		9,988	15,327
Net cash used in investing activities		159,850	(135,521)
Cash flows from financing activities			
Payment of finance lease		(197,944)	(280,790)
Net cash used in financing activities		(197,944)	(280,790)
Net increase/(decrease) in cash and cash equivalents		97,044	(145,363)
Cash and cash equivalents at 1 January 2006		149,160	294,523
Cash and cash equivalents at 31 December		246,204	149,160

Notes

(forming part of the financial statements)

1 Accounting policies

Radical Travel Group Limited (the "Company") is a company incorporated in the UK

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs")

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

Accounting policy

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention

Revenue

Revenue represents the income earned from the provision of coach tours and acting as a sales agent

Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non monetary items that are measured at historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the income statement. Exchange differences arising on non monetary items, carried at fair value, are included in the income statement, except for the differences arising on the retranslation of non monetary items in respect of which gains and losses are recorded in equity. For such non monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Intra group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the income statement on a straight line basis over the estimated useful lives of each part of an item of plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- | | |
|-------------------------|-----------|
| ▪ Leasehold property | 18 years |
| ▪ Fixtures and fittings | 3-5 years |
| ▪ Motor vehicles | 5 years |
| ▪ Computer equipment | 3-4 years |

Inventory

Inventories are measured at the lower of cost and net realisable value. The costs of inventories is based on the first in first out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Notes *(continued)*

1 *Accounting policies (continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Post retirement benefits

The company participates in a group defined benefit pension scheme, which was closed to new members on 1 May 2004. The assets of the scheme are held separately from those of the company in separate trustee administered funds. The contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees. Variations from regular cost are spread over the average expected remaining working lives of current members of the scheme.

From 1 May 2004 the company participated in a group defined contribution scheme, open to all employees subject to scheme rules. The assets of the scheme are held separately from those of the company in separate trustee administered funds. The contributions to the scheme are charged to the profit and loss account, on an accruals basis, as they fall due.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Net financing costs

Net financing costs comprise interest payable, finance charges on shares classified as liabilities and finance leases, interest receivable on funds invested, dividend income, foreign exchange gains and losses that are recognised in the income statement.

Interest income and interest payable is recognised in income statement as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

Notes (continued)

2 Revenue

The turnover and pre tax result are wholly attributable to the company's main activity of coach tours and acting as a sales agent. A breakdown of the revenue is as follows:

	2006 £	2005 £
Coach Tours and agent revenue	2,199,531	2,679,367

A further breakdown of intercompany revenue is provided in the related party note 20.

3 Expenses and auditors' remuneration

	2006 £	2005 £
<i>Included in the profit for the year are the following:</i>		
Depreciation of plant and equipment	165,694	178,960
Operating leases	37,452	39,000
<i>Auditors' remuneration:</i>		
Audit	9,000	14,000
Other services – fees received by the auditors and their associates	1,030	240

4 Staff numbers and costs

The average number of persons employed by the Company during the year, analysed by category, was as follows:

	Number of employees	
	2006	2005
Administrative	9	10
Sales	10	13
Drivers	20	22
	39	45

The aggregate payroll costs of these persons were as follows:

	2006 £	2005 £
Wages and salaries	930,514	901,273
Social security costs	83,743	82,433
Other pension costs	62,078	33,333
	1,076,335	1,037,039

Notes (continued)

5 Directors Emoluments

	2006 £	2005 £
Director's emoluments	112,868	107,617
Company contribution's defined benefit scheme	16,310	14,284
	<u>129,178</u>	<u>121,901</u>

Retirement benefits are accruing to the following number of directors under

	Number of directors 2006	Number of directors 2005
Defined benefit scheme	<u>1</u>	<u>1</u>

6 Finance income

	2006 £	2005 £
Bank interest receivable	<u>9,988</u>	<u>15,327</u>

7 Finance expenses

	2006 £	2005 £
Finance charges	<u>20,389</u>	<u>31,444</u>

8 Taxation

Recognised in the income statement

	2006 £	2005 £
<i>Current tax expense</i>		
Current year	54,888	83,599
Adjustments for prior period		14,838
	<u>54,888</u>	<u>98,437</u>
<i>Deferred tax expense</i>		
Origination of timing differences	916	8,137
	<u>916</u>	<u>8,137</u>
Total tax in income statement	<u>55,804</u>	<u>106,574</u>

Notes (continued)

8 Taxation (continued)

Reconciliation of effective tax rate

	2006 £	2005 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	183,482	323,980
<i>Effects of</i>		
Tax using UK corporation tax rate of 30% (2005 30%)	55,045	97,194
Depreciation on non qualifying assets	729	740
Permanently disallowable expenses	30	132
Other deferred tax adjustments		(866)
Corporation tax under provision from prior year		14,834
Prior year adjustments		(5,460)
Total tax in income statement	55,804	106,574

9 Plant and equipment

	Leasehold property £	Motor Vehicles £	Fixtures and Fittings £	Computer Equipment £	Total £
<i>Cost</i>					
At beginning of year	35,586	1,353,356	53,780	362,375	1,805,097
Additions		95,800	7,030	16,076	118,906
Disposals		(511,081)	(609)		(511,690)
At end of year	35,586	938,075	60,201	378,451	1,412,313
<i>Depreciation</i>					
At beginning of year	15,086	477,031	40,276	342,937	875,330
Charged in year	2,446	142,732	3,871	16,645	165,694
Accumulated depreciation on disposals		(308,018)	(594)		(308,612)
At end of year	17,532	311,745	43,553	359,582	732,412
<i>Net book value</i>					
At 31 December 2006	18,054	626,330	16,648	18,869	679,901
At 31 December 2005	20,500	876,325	13,504	19,438	929,767

Notes (continued)

10 Investments

	2006 £	2005 £
Share capital		
Morag's Lodges Limited	2	2
Shamrock Adventures Limited	8	8
	<u>10</u>	<u>10</u>
Loan		
Morag's Lodges Limited	583,890	521,627
Shamrock Adventures Limited	111,085	203,616
	<u>694,975</u>	<u>725,243</u>
	<u>694,985</u>	<u>725,253</u>

The company has the following investments in subsidiaries

Company	Country of incorporation	Class of shares held	Ownership	
			2006 %	2005 %
Morag's Lodge Limited	Scotland	Ordinary	100	100
Shamrock Adventures Limited	Ireland	Ordinary	100	100
Radical Travel Limited	Scotland	Ordinary		100
Radical Travel Network Limited	Scotland	Ordinary		100

Radical Travel Limited and Radical Travel Network Limited were dissolved on 17 March 2006

11 Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following

	2006 £	2005 £
Plant and equipment	62,089	61,173

The deferred tax liability account consists of the tax effect and timing differences in respect of excess of taxation allowances over depreciation on plant and equipment

The movement in the deferred taxation during the year

	2006 £	2005 £
At 1 January 2006	61,173	53,036
Recognised in income statement	916	8,137
At 31 December 2006	<u>62,089</u>	<u>61,173</u>

12 Inventory

Inventory relates to T Shirts held for sale on tours

Notes (continued)

13 Trade and other receivables

	2006 £	2005 £
Trade receivables	76,380	49,551
Amounts owed by group undertakings	385,356	60,637
Other receivables	1,784	11,893
Prepayments	63,553	34,709
	<u>527,073</u>	<u>156,790</u>

The above balances are expected to be recovered within 12 months of the balance sheet date

14 Trade and other payables

	2006 £	2005 £
Trade payables	76,516	75,661
Other payables	3,630	
Amounts owed to group undertakings	360,872	87,835
PAYE and social security	55,330	54,876
VAT	773	
Accruals and deferred income	103,071	98,061
	<u>600,192</u>	<u>316,433</u>

The above balances are expected to be paid within 12 months of the balance sheet date

15 Employee benefits

Pension plans

The company contributes to a group pension scheme open to all employees, subject to scheme rules. The scheme comprises a group plan defined benefit scheme, which was closed to new members from 1 May 2004 and a group plan defined contribution scheme, which was opened from that date. The assets are held in separate trustee administered funds. The defined benefit group plan is accounted for as a defined contribution scheme as there is no contractual agreement allocating the cost of the scheme. Details of the scheme deficit and plan assets are provided below.

During the year ended 31 December 2006 £57,815 was charged against profits in respect of the defined benefit scheme (2005 £50,279), and £4,267 was charged against profits in respect of the defined contribution scheme (2005 £3,054).

Plan assets consist of the following

	2006 £000	2005 £000
Equity securities	8,845	7,446
Bonds	971	699
Property	104	90
Cash	638	508
	<u>10,558</u>	<u>8,743</u>

Notes (continued)

15 Employee benefits (continued)

Movement in the liability for defined benefit obligations

	2006 £000	2005 £000
Liability for defined benefit obligations at 1 January	15,339	11,997
Interest cost	761	660
Current service cost	760	604
Benefits paid by the plan	(125)	(128)
Members contributions	172	172
Actuarial (gains)/losses recognised in equity (see below)	(871)	2,039
Liability for defined benefit obligations at 31 December	<u>16,036</u>	<u>15,339</u>

Movement in plan assets

	2006 £000	2005 £000
Fair value of plan assets at 1 January	8,742	6,636
Contributions paid into the plan	797	785
Benefits paid by the plan	(125)	(178)
Expected return on plan assets	739	606
Actuarial (losses)/gains recognised in equity	355	843
Fair value of plan assets at 31 December	<u>10,508</u>	<u>8,742</u>

Components of pension expense

	2006 £000	2005 £000
Current service costs	760	604
Interest on obligation	761	660
Expected return on plan assets	(739)	(606)
	<u>782</u>	<u>658</u>

Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages)

	2006 £	2005 £
Discount rate at 31 December	5.10	4.70
Expected return on plan assets at 1 January	7.50	7.28
Future salary increases	4.10	3.75
Future pension increases on benefits accrued from 1997 to 2005	3.20	3.00
Future pension increases on benefits accrued post 2005	2.90	2.70
Rate of increase on deferred pensions	3.10	2.75
Inflation	3.10	2.75

Notes (continued)

16 Loans and borrowings

Non current liabilities	2006 £	2005 £
Finance lease agreements	144,203	263,202
Current liabilities	2006 £	2005 £
Finance lease agreements	110,597	189,556

The above liabilities disclosed as falling due after more than one year are secured by the company

Terms and debt repayment schedule

The company has 3 finance leases for motor vehicles. Two of the finance leases will be fully paid off by 2008 and one finance lease will be fully paid off by 2010.

Finance lease liabilities

Finance lease liabilities are payable as follows

	Minimum lease payments 2006 £	Interest 2006 £	Principal 2006 £	Minimum lease payments 2005 £	Interest 2005 £	Principal 2005 £
Less than one year	122,450	11,853	110,597	211,513	21,957	189,556
Between one and five years	152,254	8,051	144,203	282,194	18,992	263,202
	<u>274,704</u>	<u>19,904</u>	<u>254,800</u>	<u>493,707</u>	<u>40,949</u>	<u>452,758</u>

17 Called up share capital

	2006 £	2005 £
<i>Authorised</i>		
15,100 Ordinary shares of £1 each	15,100	15,100
	<u>15,100</u>	<u>15,100</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	15,100	15,100
	<u>15,100</u>	<u>15,100</u>
<i>Equity shares</i>		
Ordinary shares of £1 each	15,100	15,100
	<u>15,100</u>	<u>15,100</u>

Notes (continued)

18 Financial risk management objectives and policies

The company holds or issues financial instruments in order to achieve three main objectives, as follows

- a) to finance its operations,
- b) to manage its exposure to interest risk from its operations and from its sources of finance, and
- c) for trading purposes

In additions, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to credit risk

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event of other parties failing to perform their obligations under financial instruments

Liquidity risk

The company at all times maintains adequate committed credit facilities in order to meet all its commitments as and when they fall due. There are no long term borrowings

Currency risk

The group is exposed to foreign exchange risk in respect of transactions involving the Euro. The group's treasurer does not use forward exchange contracts to hedge the group's exposure to foreign currency risk in the local reporting currency

Notes (continued)

19 Financial risk management objectives and policies

Effective interest rates and repricing analysis

In respect of income earning financial assets and interest bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they mature or, if earlier, are repriced

	Effective interest rate %	2006				
		Total £	0 – <1 years £	1 to <2 years £	2 to <5 years £	5 years and over £
Cash and cash equivalents	2.5%	246,204	246,204			
Finance lease liabilities	3.0%	(254,800)	(110,597)	(84,291)	(59,912)	
		<u>(8,596)</u>	<u>135,607</u>	<u>(84,291)</u>	<u>(59,912)</u>	

	Effective interest rate %	2005				
		Total £	0 to <1 years £	1 to <2 years £	2 to <5 years £	5 years and over £
Cash and cash equivalents	2.5%	149,160	149,160			
Finance lease liabilities	4.0%	(457,758)	(189,556)	(119,000)	(144,202)	
		<u>(308,598)</u>	<u>(40,396)</u>	<u>(119,000)</u>	<u>(144,202)</u>	

20 Related party transactions

During the year the company provided services from other members of the group as follows

	2006 £	2005 £
<i>Revenue</i>		
Morag's Lodges Limited	38,079	25,822
Shamrock Adventures Limited	122,384	184,097
Busabout Operations Limited	766,638	767,607
	<u>927,101</u>	<u>977,526</u>

During the year the company received services to other members of the group as follows

	2006 £	2005 £
<i>Revenue</i>		
Morag's Lodges Limited	6,965	10,069
Shamrock Adventures Limited	2,175	8,259
Insight Travel Services Limited	15,300	15,200
Trafalgar Management Services Limited	6,347	3,966
Contiki Holidays (Aus) Pty Limited	56,256	31,268
Contiki Holidays (NZ) Limited	7,792	2,168
Contiki Holidays Canada Limited	2,643	1,564
Contiki (Travel) UK Limited	694	227
Evan Evans Tours Limited	40,768	41,289
	<u>138,940</u>	<u>114,010</u>

Notes (continued)

20 Related party transactions (continued)

Amounts owing to other members of the group which are unsecured and payable on demand were

	2006 £	2005 £
Contiki Travel UK Limited	3,361	708
Trafalgar Management Services	5,219	690
Busabout UK Limited		523
Contiki Services Limited	5,451	905
41 Buckingham Palace Road		84,256
Contiki Holidays (NZ) Limited		397
Insight Travel Group Limited	200,000	
Insight Travel Services Limited	9,280	
Evan Evans Transport Limited	19,027	856
Wine Investments Limited	31,857	
Summer Lodge Management Limited	86,677	
	<hr/>	<hr/>
	360,872	87,835
	<hr/>	<hr/>

Amounts owing from other members of the group, which are unsecured and payable on demand were

	2006 £	2005 £
Busabout Operations Limited	352,895	33,172
Contiki Holidays (Aus) Pty Limited	30,863	27,515
Contiki Holidays (NZ) Limited	1,598	
Morag's Lodges Limited	583,892	521,629
Shamrock Adventures Limited	111,093	203,614
	<hr/>	<hr/>
	1,080,341	785,880
	<hr/>	<hr/>

21 Ultimate parent company and parent company of larger group

The company's ultimate parent undertaking is The Travel Corporation Limited, a company incorporated in the British Virgin Islands.

The largest group in which the results of the Company are consolidated is that headed by The Travel Corporation Limited, a company incorporated in the British Virgin Islands. The financial statements of this company are not available to the public. The smallest group in which they are consolidated is that headed by Insight Group Limited, a company registered in England and Wales. Copies of the consolidated financial statements of Insight Group Limited are available to the public from the Registrar of Companies.