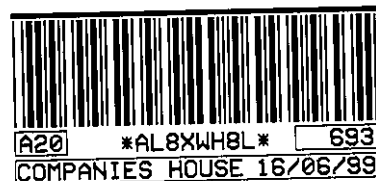


**HPB Travel Club Limited****Report and Financial Statements****Year Ended****31 December 1998**

# **HPB TRAVEL CLUB LIMITED**

## **Annual report and financial statements for the year ended 31 December 1998**

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### **Directors**

RG Boyce (Chairman)  
GD Baber  
NP Beamish  
JC Boyce

### **Secretary and registered office**

GD Baber, Kentford Lodge, Kentford, Newmarket, Suffolk, CB8 7PT.

### **Company number**

1992328

### **Auditors**

BDO Stoy Hayward, 87 Guildhall Street, Bury St Edmunds, Suffolk, IP33 1PU

## **HPB TRAVEL CLUB LIMITED**

### **Report of the directors for the year ended 31 December 1998**

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The directors present their report together with the audited financial statements for the year ended 31 December 1998.

#### **Results and dividends**

The profit and loss account is set out on page 4 and shows the profit for the year.

The directors do not recommend a dividend.

#### **Principal activity, trading review and future developments**

The company's main activity is the provision of travel services.

The company has had another successful year of trading, increasing both turnover and net profit. The directors anticipate that this trend will continue into the foreseeable future.

#### **Directors**

The directors of the company during the year and their beneficial interests in the ordinary share capital of the company were:

	<b>£1 ordinary shares fully paid</b>	
	<b>1998</b>	<b>1997</b>
RG Boyce (Chairman)	-	-
GD Baber	17	13
NP Beamish	-	-
JC Boyce	-	-

In addition, JC Boyce is a potential beneficiary of a family trust which held 33,333 shares in the company at the year end (1997 - 26,667).

#### **Share issue**

On 29 July 1998 the company issued 10,000 ordinary shares at par to its existing members by way of a one for four bonus issue. The bonus issue was made in order to increase the capital base of the company.

#### **Year 2000**

The company is currently assessing the impact of the Year 2000 issue on its business and operations. The costs of addressing these issues have not yet been quantified but are not expected to be significant.

## **HPB TRAVEL CLUB LIMITED**

### **Report of the directors for the year ended 31 December 1998 (*Continued*)**

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#### **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 period. In preparing those financial statements, the directors are required to:

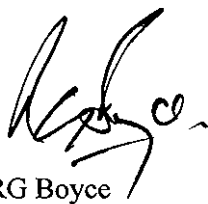
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 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.

#### **Elective resolutions**

On 12 August 1991 the company passed elective resolutions to dispense with the need to hold Annual General Meetings and to re-appoint auditors annually.

#### **On behalf of the Board**



RG Boyce  
Director

10 June 1999

**HPB TRAVEL CLUB LIMITED****Report of the auditors**

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**To the shareholders of HPB Travel Club Limited**

We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out on page 7.

*Respective responsibilities of directors and auditors*

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

*Basis of opinion*

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

*Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*BDO Stoy Hayward*  
Chartered Accountants  
and Registered Auditors  
Bury St Edmunds

10 June 1999

## HPB TRAVEL CLUB LIMITED

### Profit and loss account for the year ended 31 December 1998

	Note	1998 £	1997 £
<b>Turnover</b>	2	<b>6,983,217</b>	6,512,056
Cost of sales		<b>(6,205,489)</b>	(5,786,070)
<b>Gross profit</b>		<b>777,728</b>	725,986
Administrative expenses		<b>(650,872)</b>	(629,229)
<b>Operating profit</b>	4	<b>126,856</b>	96,757
Interest receivable		<b>45,023</b>	12,163
Interest payable and similar charges	5	<b>(54)</b>	(221)
<b>Profit on ordinary activities before taxation</b>		<b>171,825</b>	108,699
Taxation on profit on ordinary activities	6	<b>(51,581)</b>	(31,778)
<b>Retained profit for the year</b>		<b>120,244</b>	76,921

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

There are no movements on shareholders' funds apart from the profit for the year.

There was no material difference between the historical cost profit before taxation and the profit on ordinary activities before taxation in either 1998 or 1997.

The notes on pages 7 to 12 form part of these financial statements.

# HPB TRAVEL CLUB LIMITED

## Balance sheet at 31 December 1998

	Note	1998	1997
		£	£
<b>Fixed assets</b>			
Tangible assets	7	21,153	24,271
<b>Current assets</b>			
Debtors	8	1,325,450	1,161,780
Cash at bank and in hand		835,640	637,494
		<u>2,161,090</u>	<u>1,799,274</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,807,310)</u>	<u>(1,568,856)</u>
<b>Net current assets</b>		<u>353,780</u>	<u>230,418</u>
<b>Net assets</b>		<u>374,933</u>	<u>254,689</u>
<b>Capital and reserves</b>			
Called up share capital	10	50,000	40,000
Profit and loss account	11	324,933	214,689
<b>Shareholders' funds</b>		<u>374,933</u>	<u>254,689</u>

All shareholders' funds relate to equity interests.

The financial statements were approved by the Board on

10/6/99



RG Boyce  
Director

The notes on pages 7 to 12 form part of these financial statements.

# HPB TRAVEL CLUB LIMITED

## Cash flow statement for the year ended 31 December 1998

	Note	1998 £	1997 £
<b>Net cash inflow from operating activities</b>	14	189,413	209,086
<b>Returns on investments and servicing of finance</b>			
Interest received		45,023	12,163
Interest paid		(54)	(184)
Interest element of hire purchase contract payments		-	(37)
		44,969	11,942
<b>Taxation</b>			
Corporation tax paid		(30,967)	(9,295)
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(5,269)	(30,517)
<b>Cash inflow before use of liquid resources and financing</b>		198,146	181,216
<b>Financing</b>			
Capital element of hire purchase contract payments	15	-	(499)
<b>Increase in cash</b>	16	198,146	180,717

The notes on pages 7 to 12 form part of these financial statements.



## HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 1998

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

#### *Turnover*

Turnover represents amounts receivable for travel services, together with the related commissions, provided net of trade discounts and VAT.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Office equipment	-	10 years
Computer equipment	-	4 years

#### *Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability will crystallise.

#### *Hire purchase assets*

Where assets are financed by hire purchase agreements the assets are capitalised. The corresponding hire purchase commitments are included in creditors. Depreciation on the relevant assets is charged to the profit and loss account.

Hire purchase payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the agreement and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts included in creditors.

#### *Operating leases*

Annual rentals under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

### 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

## HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 1998 *(Continued)*

### 3 Employees

Staff costs (including directors) consist of:

	1998 £	1997 £
Wages and salaries	322,232	304,302
Social security costs	28,795	26,648
Other pension costs	1,083	206
	<u>352,110</u>	<u>331,156</u>

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

	1998 Number	1997 Number
Administration and sales	<u>21</u>	<u>25</u>

### 4 Operating profit

	1998 £	1997 £
This has been arrived at after charging:		
Depreciation	8,387	9,717
Operating lease rentals – office equipment	-	600
Auditors' remuneration	3,000	3,000
Directors' remuneration	<u>90,909</u>	<u>90,909</u>

### 5 Interest payable and similar charges

	1998 £	1997 £
Bank overdraft	54	184
Hire purchase contracts	-	37
	<u>54</u>	<u>221</u>

# HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 1998 *(Continued)*

## 6 Taxation

	1998 £	1997 £
UK corporation tax	53,097	32,483
Adjustment in respect of prior years	(1,516)	(705)
	<u>51,581</u>	<u>31,778</u>

There were no material timing differences which would give rise to any potential deferred tax liability at either year end.

## 7 Tangible assets

	Office equipment £	Computer equipment £	Total £
<i>Cost</i>			
At 1 January 1998	7,293	58,541	65,834
Additions	4,324	945	5,269
<b>At 31 December 1998</b>	<b>11,617</b>	<b>59,486</b>	<b>71,103</b>
<i>Depreciation</i>			
At 1 January 1998	4,987	36,576	41,563
Provided for the year	759	7,628	8,387
<b>At 31 December 1998</b>	<b>5,746</b>	<b>44,204</b>	<b>49,950</b>
<i>Net book value</i>			
<b>At 31 December 1998</b>	<b>5,871</b>	<b>15,282</b>	<b>21,153</b>
At 31 December 1997	2,306	21,965	24,271

## 8 Debtors

	1998 £	1997 £
Trade debtors	1,291,047	1,112,696
Other debtors	26,079	41,262
Prepayments	8,324	7,822
	<u>1,325,450</u>	<u>1,161,780</u>

## HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 1998 *(Continued)*

### 9 Creditors: amounts falling due within one year

	1998 £	1997 £
Trade creditors	1,654,703	1,436,938
Amount owed to connected undertaking (note 12)	41,620	42,620
Corporation tax	53,097	32,483
Accruals	57,890	56,815
	<u>1,807,310</u>	<u>1,568,856</u>

### 10 Called up share capital

	Authorised		Allotted, called up and fully paid	
	1998 £	1997 £	1998 £	1997 £
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>50,000</u>	<u>40,000</u>

On 29 July 1998 10,000 ordinary shares were issued by way of a one for four bonus issue to the existing members, in order to expand the capital base of the company. These new shares rank pari passu with the existing shares.

### 11 Reserves

	£
Profit and loss account	
At 1 January 1998	214,689
Bonus share issue (note 10)	(10,000)
Retained profit for the year	<u>120,244</u>
At 31 December 1998	<u>324,933</u>

## HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 1998 (*Continued*)

### 12 Related party transactions and controlling interest

#### *Balance with connected undertaking*

At the year end the company owed £41,620 (1997 - £42,620) to HPB Management Limited (note 9).

The balance is interest free, unsecured and repayable on demand.

#### *Transactions involving directors*

During the year management charges of £156,000 (1997 - £140,000) and commissions of £172,394 (1997 - £160,557) were payable to HPB Management Limited

#### *Nature of relationship*

The company is related to HPB Management Limited by virtue of the directorships and interests in relation to the shares of both companies of RG Boyce, JC Boyce and GD Baber.

#### *Controlling interest*

The RG Boyce Trustee Company Limited, in its capacity as trustee, had a controlling shareholding in the company throughout the year. However RG Boyce had ultimate influence over the operating decisions of the company, both as chairman and in view of his connection with The RG Boyce Trustee Company Limited.

### 13 Contingent liability

The company has given a bank bond of £63,450 in favour of the Civil Aviation Authority dated 20 August 1997.

### 14 Reconciliation of operating profit to net cash inflow from operating activities

	1998 £	1997 £
Operating profit	126,856	96,757
Depreciation of tangible fixed assets	8,387	9,717
Increase in debtors	(163,670)	(42,055)
Increase in creditors	217,840	144,667
<b>Net cash inflow from operating activities</b>	<b>189,413</b>	<b>209,086</b>

### 15 Analysis of changes in financing during the year

	Hire purchase contracts	
	1998 £	1997 £
Balance at 1 January 1998	-	499
Cashflow from financing	-	(499)
<b>Balance at 31 December 1998</b>	<b>-</b>	<b>-</b>

# HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 1998 *(Continued)*

## 16 Reconciliation of net cashflow to movement in net funds

	1998 £	1997 £
Increase in cash in the year	198,146	180,717
Cashflow outflow from hire purchase contracts	-	499
Change in net funds	198,146	181,216
Net funds at 1 January 1998	637,494	456,278
Net funds at 31 December 1998	835,640	637,494

## 17 Analysis of changes in cash at bank and in hand

	£
Balance at 1 January 1998	637,494
Cash flows	198,146
Balance at 31 December 1998	835,640