

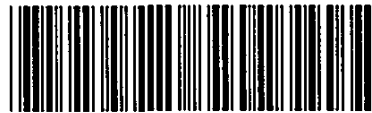
HPB Travel Club Limited

Report and Financial Statements

Year Ended

31 December 2011

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COMPANIES HOUSE

Company Number 1992328

HPB TRAVEL CLUB LIMITED

Annual report and financial statements for the year ended 31 December 2011

Contents

Page:

1	Report of the directors
3	Report of the independent auditors
4	Profit and loss account
5	Balance sheet
6	Notes forming part of the financial statements

Directors

GD Baber (Chairman)
NP Beamish
JC Boyce
RG Boyce

Secretary and registered office

GD Baber, HPB House, 24-28 Old Station Road, Newmarket, Suffolk, CB8 8EH

Company number

1992328

Auditors

Baker Tilly UK Audit LLP
Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk, IP32 7FA

HPB TRAVEL CLUB LIMITED

Report of the directors for the year ended 31 December 2011

The directors present their report together with the audited financial statements for the year ended 31 December 2011

Principal activities

The company's principal activity during the year continued to be the provision of travel services

Directors

The directors of the company during the year were

GD Baber
NP Beamish
JC Boyce
RG Boyce

Directors' responsibilities

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 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 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 requirements of 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

Directors' indemnity insurance

Qualifying third party indemnity provision is in place for the benefit of all directors of the company

Auditors

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

HPB TRAVEL CLUB LIMITED

Report of the directors for the year ended 31 December 2011

Statement as to Disclosure of Information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors

This report has been prepared in accordance with the provisions applicable to companies entitled to small companies exemption

On behalf of the Board



GD Baber
Chairman

13 April 2012

HPB TRAVEL CLUB LIMITED

Independent auditors' report to the member of HPB Travel Club Limited

We have audited the financial statements on pages 4 to 13

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's member 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 member those matters we are required to state to it 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 member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 1 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime

Baker Tilly UK Audit LLP

CLAIRE SUTHERLAND (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Abbotsgate House

Hollow Road

Bury St Edmunds

Suffolk

IP32 7FA

16 April 2012

HPB TRAVEL CLUB LIMITED**Profit and loss account for the year ended 31 December 2011**

	Note	2011 £	2010 £
Turnover	2	1,517,754	1,752,575
Cost of sales		(596,356)	(759,936)
Gross profit	2	921,398	992,639
Administrative expenses		(782,328)	(800,066)
Other operating income		45,163	10,966
Operating profit	5	184,233	203,539
Interest receivable	6	5,350	-
Interest payable	7	(6)	(62)
Profit on ordinary activities before taxation		189,577	203,477
Taxation on profit on ordinary activities	8	(50,516)	(56,777)
Profit on ordinary activities after taxation	15,16	139,061	146,700

All amounts relate to continuing activities

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account

The notes on pages 6 to 13 form part of these financial statements.

HPB TRAVEL CLUB LIMITED

Balance sheet at 31 December 2011 Company number 1992328

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	10	24,673	31,762
Current assets			
Debtors	11	1,614,058	831,937
Cash at bank and in hand		86,038	1,037,915
		<u>1,700,096</u>	<u>1,869,852</u>
Creditors: amounts falling due within one year	12	<u>(1,376,167)</u>	<u>(1,585,742)</u>
Net current assets		<u>323,929</u>	<u>284,110</u>
Net assets		<u>348,602</u>	<u>315,872</u>
Capital and reserves			
Called up share capital	14	50,000	50,000
Profit and loss account	15	298,602	265,872
Shareholder's funds	16	<u>348,602</u>	<u>315,872</u>

The financial statements on pages 4 to 13 were approved by the Board and authorised for issue on 13 April 2012 and are signed on its behalf by



GD Baber
Chairman

The notes on pages 6 to 13 form part of these financial statements.

HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of current asset investments, and are in accordance with applicable United Kingdom accounting standards. The following principal accounting policies have been applied:

Going concern

The company has adequate financial resources. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents amounts receivable for travel services, net of trade discounts and VAT. Where the company acts as principal, turnover includes the value of all travel services together with any commissions receivable. Where the company acts as agent, turnover includes only the commission element of the travel arrangements.

Revenue recognition and associated costs

Revenue relating to package themes and tours, and direct costs are recognised when the holiday is taken. Where the company acts as agent only, revenue is recognised when earned, which is on confirmation of booking. Other revenue and associated expenses are taken to the profit and loss account as earned or incurred. Certain expenses, such as the cost of brochures and promotional activities, are charged to the profit and loss account over the season to which they relate where recovery of the expenditure is reasonably assured.

Travel debtors and creditors

Travel debtors include the amounts receivable from customers for the gross value of the related travel service. Travel creditors include the gross amounts payable to tour operators.

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

HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2011

1 Accounting policies (*continued*)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxation profits and its results as stated in the financial statements

The recognition of deferred tax assets is limited to the extent the company anticipates to make sufficient profits in the future to absorb the reversal of the underlying timing differences

Deferred tax is measured at the average tax rates that are expected to apply in the period in which timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

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

Pension costs

Contributions are made into the individual pension plans of certain employees. The contributions are charged to the profit and loss account in the year in which they become payable.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 not to prepare a cash flow statement on the grounds that the company is a wholly owned subsidiary of HPB Travel Club Holdings Plc and is included in the group's consolidated financial statements

2 Turnover

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

As stated previously, where the company acts as agent, turnover includes only the commission element of the travel arrangements. The gross turnover and cost of sales for the year were as follows.

	2011 £	2010 £
Gross turnover	9,616,821	9,744,580
Gross cost of sales	(8,695,423)	(8,751,941)
Gross profit	<u>921,398</u>	<u>992,639</u>

HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2011 (*Continued*)

3 Employees

	2011 £	2010 £
Staff costs consist of		
Wages and salaries	416,096	444,920
Social security costs	33,301	34,487
Pension costs	7,329	6,598
	<u>456,726</u>	<u>486,005</u>

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

	2011 Number	2010 Number
Administration and sales	25	27
Directors	4	4
	<u>29</u>	<u>31</u>

4 Directors

No directors received any emoluments or accrued any benefits under an individual personal pension plan, to which the group contributed, during this or the previous year

5 Operating profit

	2011 £	2010 £
This has been arrived at after charging/(crediting)		
Depreciation	16,809	16,412
Auditors' remuneration		
- audit services – statutory audit	5,559	5,800
- taxation	9,967	1,200
- other	-	2,074
Rental income	(9,972)	(9,887)
Operating lease - rent of premises	<u>52,000</u>	<u>52,000</u>

6 Interest receivable

	2011 £	2010 £
Bank interest	5,266	-
Corporation tax interest	84	-
	<u>5,350</u>	<u>-</u>

HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2011 (*Continued*)

7 Interest payable

	2011 £	2010 £
Bank interest	6	62

8 Taxation

	2011 £	2010 £
<i>Current taxation</i>		
UK corporation tax on the profit for the year	40,654	56,530
<i>Deferred taxation</i>		
Origination and reversal of timing difference	9,057	(150)
Effect of change of tax rate on opening asset	805	397
Total deferred tax	9,862	247
Taxation on profit on ordinary activities	50,516	56,777

The tax assessed for the year is different to that calculated at the standard rate of corporation tax in the UK. The differences are explained below.

	2011 £	2010 £
Profit on ordinary activities before tax	189,577	203,477
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010 – 28%)	50,238	56,974
Effects of		
Expenses not deductible for tax purposes	24	21
Difference between depreciation and capital allowances	244	1,791
Capital and other adjustments	(657)	-
Group relief net of related payments	-	(621)
Other short term timing differences	(9,195)	(1,635)
Current tax charge for the year	40,654	56,530

9 Dividend

	2011 £	2010 £
Interim ordinary dividend at 212.66p per share (2010 – 218.46p)	106,331	109,231

HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2011 (*Continued*)

10 Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
<i>Cost</i>			
At 1 January 2011	109,223	146,783	256,006
Additions	-	9,720	9,720
At 31 December 2011	109,223	156,503	265,726
<i>Depreciation</i>			
At 1 January 2011	92,153	132,091	224,244
Provided for the year	8,545	8,264	16,809
At 31 December 2011	100,698	140,355	241,053
<i>Net book value</i>			
At 31 December 2011	8,525	16,148	24,673
At 31 December 2010	17,070	14,692	31,762

11 Debtors

	2011 £	2010 £
<i>Falling due within one year</i>		
Trade debtors	557,706	694,273
Amount owed by group undertaking (note 19)	1,000,000	-
Corporation tax	-	14,000
Other debtors	764	5,819
Prepayments and accrued income	54,576	106,971
	1,613,046	821,063
<i>Falling due after one year</i>		
Deferred taxation (note 13)	1,012	10,874
	1,614,058	831,937

12 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	786,961	1,004,003
Amount owed to group undertakings (note 19)	354,809	225,475
Amount owed to connected undertakings (note 19)	-	65,430
Corporation tax	34,075	-
Other taxation and social security	29,284	23,306
Accruals and deferred income	171,038	267,528
	1,376,167	1,585,742

HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2011 *(Continued)*

13 Deferred taxation

	Deferred taxation	
	2011	2010
	£	£
At 1 January 2011	(10,874)	(11,121)
Transfer to profit and loss account	9,862	247
At 31 December 2011	(1,012)	(10,874)
The balance comprises		
Capital allowances timing differences	(937)	(1,424)
Short term timing differences	(75)	(9,450)
	(1,012)	(10,874)

14 Share capital

	Authorised		Allotted, called up and fully paid	
	2011	2010	2011	2010
	£	£	£	£
Ordinary shares of £1 each	100,000	100,000	50,000	50,000

15 Profit and loss account

	2011	2010
	£	£
At 1 January 2011	265,872	228,403
Profit for the year	139,061	146,700
Dividends	(106,331)	(109,231)
At 31 December 2011	298,602	265,872

16 Reconciliation of movements in shareholder's funds

	2011	2010
	£	£
Opening shareholder's funds	315,872	278,403
Profit for the year	139,061	146,700
Dividends	(106,331)	(109,231)
Closing shareholder's funds	348,602	315,872

HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2011 (*Continued*)

17 Commitments under operating leases

As at 31 December 2011, the company had annual commitments under non-cancellable operating leases for land and buildings as set out below

	2011 £	2010 £
Operating leases which expire in over 5 years	<u>52,000</u>	<u>52,000</u>

18 Pensions

The company makes payments into individual personal pension plans on behalf of certain employees. The assets of these pension plans are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds. The charge for the year was £7,329 (2010 - £6,598). No contributions were outstanding at the year end (2010 - £Nil).

19 Related party transactions and controlling interest

(1) *Related party balances*

The following balances were due in respect of related parties at the year end

	2011 Group £	2011 Connected £	2010 Group £	2010 Connected £
Creditor balances (note 12)		-		
- Newmarketing Campaign Limited	6,342	-	481	-
- HPB Management Limited	89,212	-	52,605	-
- HPB Assurance Limited	33,241	-	16,585	-
- HPB Finance Limited	4,612	-	4,612	-
- B & B Advertising Limited	-	-	-	65,430
- HPB Travel Club Holdings Plc	219,155	-	148,945	-
- Stately Holiday Cottages Limited	2,247	-	2,247	-
	<u>354,809</u>	<u>-</u>	<u>225,475</u>	<u>65,430</u>

The above creditor balances were unsecured, interest free and repayable on demand

At 31 December 2011 a loan of £1,000,000 (2010 - £Nil) was owed to the company by HPB Holdings Limited and is included in debtors, note 11. The loan is repayable on demand and attracts interest at 2.6% per annum.

HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2011 (*Continued*)

19 Related party transactions and controlling interest (*continued*)

(2) *Related party transactions*

During the year:

- rent of £9,972 (2010 - £9,887) was received from HPB Management Limited.
- rent of £52,000 (2010 - £52,000) was paid to B & B Advertising Limited
- travel services of £60,557 (2010 - £66,472) were provided to HPB Management Limited
- advertising expenses of £4,720 (2010 - £178) paid to Newmarketing Campaign Limited.
- purchases of £99,208 (2010 - £Nil) from HPB Management Limited
- charge of £6,784 (2010 - £4,863) from Newmarketing Campaign Limited for use of fixed assets
- computer software charges of £3,300 (2010 - £3,300) were paid to HPB Assurance Limited
- HPB Finance Limited surrendered group relief of corporation tax losses to the company in the sum of £Nil (2010 - £8,865) in return for payment of £Nil (2010 - 1,861)
- HPB Management Limited surrendered group relief of corporation tax losses to the company in the sum of £Nil (2010 - £156,942) in return for payment of £Nil (2010 - £43,944).
- HPB Travel Club Holdings plc surrendered group relief of corporation tax losses to the company in the sum of £24,826 (2010 - £30,281) in return for payment of £6,579 (2010 - £8,479)
- Stately Holiday Cottages Limited surrendered group relief of £Nil (2010 - £8,025) in return for payment of £Nil (2010 - £2,247)
- a loan of £1,000,000 (2010 - £Nil) was advanced to HPB Holdings Limited.

The company has taken advantage of the exemption under Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with entities that are included in the consolidated financial statements of HPB Travel Club Holdings plc, the immediate parent company.

(3) *Nature of relationship*

The company is related to HPB Management Limited, Newmarketing Campaign Limited, HPB Assurance Limited, Stately Holiday Cottages Limited and HPB Finance Limited by virtue of the fact that all six companies have the same ultimate parent company, HPB Holdings Limited. In addition, RG Boyce, GD Baber and JC Boyce are directors of Newmarketing Campaign Limited and HPB Finance Limited and they, together with NP Beamish, are directors of HPB Management Limited and Stately Holiday Cottages Limited

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

(4) *Controlling interest*

Throughout the year and the previous year, the controlling party was HPB Holdings Limited, the ultimate parent company.

20 Ultimate parent company

Throughout the year and the previous year, the ultimate parent company was HPB Holdings Limited, a company incorporated in the Isle of Man, which is the parent of the largest group of which the company is a member

Throughout the year and the previous year, HPB Travel Club Holdings Plc, a company incorporated in England and Wales, has been the company's immediate parent company and therefore the parent of the smallest group of which the company is a member.

The financial statements of HPB Travel Club Holdings Plc can be obtained from Companies House