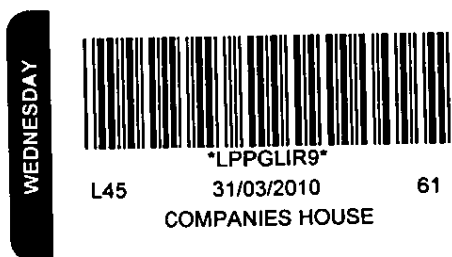


**HPB Travel Club Limited**

Report and Financial Statements

Year Ended

31 December 2009



Company Number 1992328

# **HPB TRAVEL CLUB LIMITED**

## **Annual report and financial statements for the year ended 31 December 2009**

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### **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

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### **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 2009**

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The directors present their report together with the audited financial statements for the year ended 31 December 2009

#### **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  
PF Maltby (resigned 26 November 2009)

#### **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.

#### **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 2009**

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#### **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**

29 March 2010

## HPB TRAVEL CLUB LIMITED

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

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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 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/UKNP](http://www.frc.org.uk/apb/scope/UKNP)

#### 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 2009 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

  
D J B Coventry (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP

*Chartered Accountants  
and Statutory Auditors*

Abbotsgate House  
Hollow Road  
Bury St Edmunds  
Suffolk  
IP32 7FA

31 March 2010.

## HPB TRAVEL CLUB LIMITED

### Profit and loss account for the year ended 31 December 2009

	Note	2009 £	2008 £
<b>Turnover</b>	2	<b>1,682,955</b>	<b>2,050,331</b>
Cost of sales		<b>(811,678)</b>	<b>(1,167,604)</b>
<b>Gross profit</b>	2	<b>871,277</b>	<b>882,727</b>
Administrative expenses		<b>(828,060)</b>	<b>(1,017,985)</b>
<b>Operating profit/(loss)</b>	5	<b>43,217</b>	<b>(135,258)</b>
Interest receivable	6	<b>8,045</b>	<b>56,115</b>
Interest payable and similar charges	7	<b>-</b>	<b>(260)</b>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>51,262</b>	<b>(79,403)</b>
Taxation on profit/(loss) on ordinary activities	8	<b>(13,441)</b>	<b>28,960</b>
<b>Profit/(loss) on ordinary activities after taxation</b>	15,16	<b>37,821</b>	<b>(50,443)</b>

All amounts relate to continuing activities

All recognised gains and losses are included 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 2009****Company number 1992328**

	Note	2009	2008
		£	£
<b>Fixed assets</b>			
Tangible assets	10	36,086	38,307
<b>Current assets</b>			
Debtors	11	679,005	912,115
Cash at bank and in hand		954,986	864,055
		<u>1,633,991</u>	<u>1,776,170</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,391,674)</u>	<u>(1,542,660)</u>
<b>Net current assets</b>		<u>242,317</u>	<u>233,510</u>
<b>Net assets</b>		<u>278,403</u>	<u>271,817</u>
<b>Capital and reserves</b>			
Called up share capital	14	50,000	50,000
Profit and loss account	15	228,403	221,817
<b>Shareholder's funds</b>	16	<u>278,403</u>	<u>271,817</u>

The financial statements were approved by the Board and authorised for issue on 29 March 2010 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 2009

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### 1 Accounting policies

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

#### *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

#### *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.



## HPB TRAVEL CLUB LIMITED

### Notes forming part of the financial statements for the year ended 31 December 2009

#### 1 Accounting policies (*continued*)

##### *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 'Cash Flow Statements (Revised 1996)' 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:

	2009 £	2008 £
Gross turnover	8,916,933	10,367,492
Gross cost of sales	(8,045,656)	(9,484,765)
Gross profit	<u>871,277</u>	<u>882,727</u>

#### 3 Employees

	2009 £	2008 £
Staff costs consist of		
Wages and salaries	486,595	593,536
Social security costs	38,463	44,653
Pension costs	6,777	6,289
	<u>531,835</u>	<u>644,478</u>

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

	2009 Number	2008 Number
Administration and sales	<u>30</u>	<u>34</u>

# HPB TRAVEL CLUB LIMITED

## Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

### 4 Directors

	2009 £	2008 £
Directors' emoluments consist of		
Remuneration for management services	51,367	38,121
Pension contributions	750	375
Compensation for loss of office	25,100	-
	<u>77,217</u>	<u>38,496</u>

During the year, one director (2008 - 1) was accruing benefits under an individual personal pension plan, to which the company contributed

### 5 Operating profit/(loss)

	2009 £	2008 £
This has been arrived at after charging/(crediting)		
Depreciation	13,471	10,912
Auditors' remuneration - audit	8,500	8,500
- taxation	3,500	3,500
- other	671	1,300
Rental income	(10,564)	(11,754)
Operating lease - rent of premises	<u>45,180</u>	<u>51,432</u>

### 6 Interest receivable

	2009 £	2008 £
Bank interest	7,967	55,847
Other tax interest	78	268
	<u>8,045</u>	<u>56,115</u>

### 7 Interest payable and similar charges

	2009 £	2008 £
Hire purchase	-	260
	<u>-</u>	<u>260</u>

### 8 Taxation

	2009 £	2008 £
<i>Current taxation</i>		
UK corporation tax on the profit/(loss) for the year	13,251	(10,247)
Adjustment in respect of prior years	-	(9,008)
	<u>13,251</u>	<u>(19,255)</u>
<i>Deferred taxation</i>		
Origination and reversal of timing difference (see note 13)	190	(9,705)
	<u>13,441</u>	<u>(28,960)</u>

# HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

## 8 Taxation (Continued)

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

	2009 £	2008 £
Profit/(loss) on ordinary activities before tax	<u>51,262</u>	<u>(79,403)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 – 28.5%)	<u>14,353</u>	<u>(22,630)</u>
Effects of		
Expenses not deductible for tax purposes	5	2,505
Difference between depreciation and capital allowances	(1,825)	(96)
Group relief net of related payments	(917)	-
Other short term timing differences	1,635	9,974
Adjustment in respect of prior year	-	(9,008)
Current tax charge/(credit) for the year	<u>13,251</u>	<u>(19,255)</u>

## 9 Dividend

	2009 £	2008 £
Interim ordinary dividend at 62.47p per share (2008 – £Nil)	<u>31,235</u>	<u>-</u>

## 10 Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
<i>Cost</i>			
At 1 January 2009	109,223	123,445	232,668
Additions	-	11,250	11,250
<b>At 31 December 2009</b>	<u>109,223</u>	<u>134,695</u>	<u>243,918</u>
<i>Depreciation</i>			
At 1 January 2009	72,208	122,153	194,361
Provided for the year	10,013	3,458	13,471
<b>At 31 December 2009</b>	<u>82,221</u>	<u>125,611</u>	<u>207,832</u>
<i>Net book value</i>			
<b>At 31 December 2009</b>	<u>27,002</u>	<u>9,084</u>	<u>36,086</u>
At 31 December 2008	<u>37,015</u>	<u>1,292</u>	<u>38,307</u>

# HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

## 11 Debtors

	2009 £	2008 £
<i>Falling due within one year</i>		
Trade debtors	583,155	736,230
Corporation tax	-	9,008
Other debtors	7,718	28,095
Prepayments and accrued income	77,011	127,471
	<u>667,884</u>	<u>900,804</u>
<i>Falling due after one year</i>		
Deferred taxation (note 13)	11,121	11,311
	<u>679,005</u>	<u>912,115</u>

## 12 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	861,818	994,371
Corporation tax	10,500	-
Amount owed to group undertakings (note 19)	140,585	184,235
Amount owed to connected undertakings (note 19)	56,287	5,846
Other taxation and social security	19,123	21,121
Accruals and deferred income	303,361	337,087
	<u>1,391,674</u>	<u>1,542,660</u>

## 13 Deferred taxation

	Deferred taxation	
	2009 £	2008 £
At 1 January 2009	(11,311)	(1,606)
Transfer to/(from) profit and loss account	190	(9,705)
<b>At 31 December 2009</b>	<u><b>(11,121)</b></u>	<u><b>(11,311)</b></u>
The balance comprises		
Capital allowances timing differences	314	(1,511)
Short term timing differences	(11,435)	(9,800)
	<u><b>(11,121)</b></u>	<u><b>(11,311)</b></u>

# HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2009 *(Continued)*

## 14 Share capital

	Authorised		Allotted, called up and fully paid	
	2009 £	2008 £	2009 £	2008 £
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>50,000</u>	<u>50,000</u>

## 15 Profit and loss account

	2009 £	2008 £
At 1 January 2009	221,817	272,260
Retained profit/(loss) for the year	37,821	(50,443)
Dividends	(31,235)	-
<b>At 31 December 2009</b>	<u><b>228,403</b></u>	<u><b>221,817</b></u>

## 16 Reconciliation of movements in shareholder's funds

	2009 £	2008 £
Opening shareholder's funds	271,817	322,260
Profit/(loss) for the financial year	37,821	(50,443)
Dividends	(31,235)	-
<b>Closing shareholder's funds</b>	<u><b>278,403</b></u>	<u><b>271,817</b></u>

## 17 Commitments under operating leases

As at 31 December 2009, the company had annual commitments under non-cancellable operating leases for land and buildings as set out below

	2009 £	2008 £
Operating leases which expire in over 5 years	<u>45,180</u>	<u>45,180</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 £6,777 (2008 - £6,289). No contributions were outstanding at the year end (2008 - £Nil).

## HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2009 (*Continued*)

### 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

	2009 Group £	2009 Connected £	2008 Group £	2008 Connected £
Creditor balances (note 12)				
- Newmarketing Campaign Limited	8,629	-	214	-
- HPB Management Limited	32,949	-	35,037	-
- HPB Assurance Limited	65,021	-	148,984	-
- HPB Finance Limited	2,751	-	-	-
- B & B Advertising Limited	-	56,287	-	5,846
- HPB Travel Club Holdings Plc	31,235	-	-	-
	<u>140,585</u>	<u>56,287</u>	<u>184,235</u>	<u>5,846</u>

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

#### (2) Related party transactions

During the year

- rent of £10,564 (2008 - £11,754) was received from HPB Management Limited
- rent of £45,180 (2008 - £51,432) was paid to B & B Advertising Limited
- travel services of £54,674 (2008 - £49,861) were provided to HPB Management Limited
- advertising expenses of £620 (2008 - £2,000) were paid to Newmarketing Campaign Limited
- charge of £11,311 (2008 - £186) from Newmarketing Campaign Limited for use of fixed assets
- computer software charges of £3,300 (2008 - £6,600) were paid to HPB Assurance Limited
- HPB Finance Limited surrendered group relief of corporation tax losses to the company in the sum of £13,100 (2008 - £Nil) in return for payment of £2,751 (2008 - £Nil)

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 and HPB Finance Limited by virtue of the fact that all five 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.

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.

## **HPB TRAVEL CLUB LIMITED**

**Notes forming part of the financial statements for the year ended 31 December 2009 *(Continued)***

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### **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