

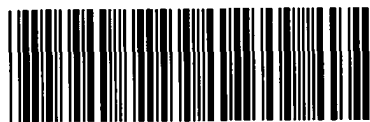
HPB Travel Club Limited

Report and Financial Statements

Year Ended

31 December 2016

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Company Number 1992328

HPB TRAVEL CLUB LIMITED

Annual report and financial statements for the year ended 31 December 2016

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Directors

BEG Baber
NP Beamish
JC Boyce (Chairman)
DGW Montgomery

Secretary GD Baber

Registered office

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

Company number

1992328

Auditor

RSM 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 2016

The directors present their report together with the audited financial statements for the year ended 31 December 2016.

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 (Resigned 1 January 2017)
NP Beamish
JC Boyce
RG Boyce (Resigned 1 January 2017)
DGW Montgomery

In addition, BEG Baber was appointed as a director on 1 January 2017.

Directors' indemnity insurance

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

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

On behalf of the Board



J C Boyce
Chairman

9 May 2017

HPB TRAVEL CLUB LIMITED

Directors' responsibilities statement

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime (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; and
- 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 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 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.

HPB TRAVEL CLUB LIMITED

Independent auditor's report to the member of HPB Travel Club Limited

Opinion on financial statements

We have audited the financial statements on pages 4 to 16. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 and, based on the work undertaken in the course of our audit, the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

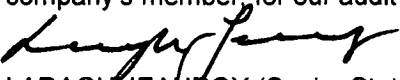
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 2, 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.

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 the member 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.


LARAGH JEANROY (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

11/5/2017

HPB TRAVEL CLUB LIMITED

Statement of comprehensive income for the year ended 31 December 2016

	Note	2016	2015
		£	£
Turnover	1	1,643,324	1,736,347
Cost of sales		(458,454)	(542,352)
Gross profit	1	1,184,870	1,193,995
Administrative expenses		(846,074)	(852,746)
Fair value gains and losses on foreign exchange contracts	11	(4,511)	19,267
Operating profit		334,285	360,516
Interest receivable	5	2,051	2,771
Profit on ordinary activities before taxation	4	336,336	363,287
Taxation on profit on ordinary activities	6	(67,736)	(61,655)
Profit on ordinary activities after taxation and total comprehensive income for the financial year		268,600	301,632

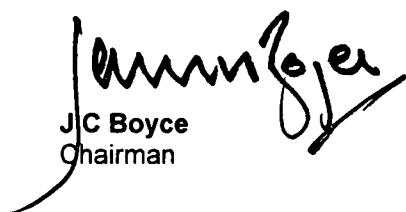
The notes on pages 7 to 16 form part of these financial statements.

HPB TRAVEL CLUB LIMITED**Statement of financial position at 31 December 2016****Company number 1992328**

	Note	2016		2015	
		£	£	£	£
Fixed assets					
Intangible assets	7	13,117		21,437	
Tangible assets	8	83		283	
			13,200		21,720
Current assets					
Debtors	9	1,534,323		1,470,899	
Cash at bank and in hand		1,826,936		1,529,250	
		3,361,259		3,000,149	
Creditors: amounts falling due within one year	10	(2,779,599)		(2,495,609)	
Net current assets			581,660		504,540
Net assets			594,860		526,260
Capital and reserves					
Called up share capital	15		50,000		50,000
Profit and loss account			544,860		476,260
Total equity			594,860		526,260

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 4 to 16 were approved by the Board and authorised for issue on 9 May 2017 and are signed on its behalf by:



J.C. Boyce
Chairman

The notes on pages 7 to 16 form part of these financial statements.

HPB TRAVEL CLUB LIMITED

Statement of changes in equity for the year ended 31 December 2016

	Share capital £	Profit and loss account £	Total £
Balance at 1 January 2015	50,000	394,628	444,628
Profit and other comprehensive income for the year	-	301,632	301,632
Transactions with owner in its capacity as owner:-			
Dividends	-	(220,000)	(220,000)
Balance at 31 December 2015	50,000	476,260	526,260
Profit and other comprehensive income for the year	-	268,600	268,600
Transactions with owner in its capacity as owner:-			
Dividends	-	(200,000)	(200,000)
Balance at 31 December 2016	50,000	544,860	594,860

HPB TRAVEL CLUB LIMITED

Accounting policies for the year ended 31 December 2016

General information

HPB Travel Club Limited ("the Company") is a private company limited by shares incorporated in England.

The registered office address of the Company is HPB House, 24-28 Old Station Road, Newmarket, Suffolk, CB8 8EH.

Principal activity

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

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention, modified to include certain financial instruments at fair value. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

Going concern

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.

Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the company.

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 relating to package themes and tours, and the associated 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 statement of comprehensive income as earned or incurred.

Intangible fixed assets

Intangible fixed assets are initially measured at cost and subsequently measured at cost, net of amortisation and any impairment losses. Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Computer software	-	4 years
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HPB TRAVEL CLUB LIMITED

Accounting policies for the year ended 31 December 2016 (Continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Office equipment	-	10 years
Computer equipment	-	4 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses and are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from the profit on ordinary activities because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and the profit on ordinary activities that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

HPB TRAVEL CLUB LIMITED

Accounting policies for the year ended 31 December 2016 (Continued)

Leases

All leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

Pension costs

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

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Trade debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

HPB TRAVEL CLUB LIMITED

Accounting policies for the year ended 31 December 2016 (Continued)

Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

The Company uses foreign currency forward contracts to manage the foreign exchange risk of future transactions and cash flows.

The contracts are valued based on available market data. The Company does not adopt hedge accounting for forward exchange contracts and, consequently, fair value gains and losses are recognised in profit or loss.

Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2016

1 Turnover

As stated in the accounting policies, 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:

	2016 £	2015 £
Gross turnover	11,092,353	11,559,818
Gross cost of sales	(9,907,483)	(10,365,823)
Gross profit	<u>1,184,870</u>	<u>1,193,995</u>

2 Employees

Staff costs consist of:	2016 £	2015 £
Wages and salaries	445,056	436,771
Social security costs	33,705	32,510
Pension costs	10,713	10,875
	<u>489,474</u>	<u>480,156</u>

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

	2016 Number	2015 Number
Administration and sales	23	24
Directors	5	5
	<u>28</u>	<u>29</u>

3 Directors

The directors, who are considered to be the key management personnel, did not receive any emoluments or accrue any benefits under an individual personal pension plan, to which the company contributed, during this or the previous year.

4 Profit before taxation

	2016 £	2015 £
Profit before taxation is stated after charging:		
Depreciation	200	199
Amortisation	8,320	10,685
Operating lease - rent of premises	52,000	52,000
Auditor's remuneration:		
- audit services – statutory audit	6,250	6,250
- taxation and other	5,750	5,500
	<u></u>	<u></u>

HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2016 (Continued)

5 Interest receivable

	2016 £	2015 £
Bank interest	1,716	2,771
Corporation tax repayment interest	335	-
	<u>2,051</u>	<u>2,771</u>

6 Taxation on profit on ordinary activities

	2016 £	2015 £
<i>Current taxation</i>		
UK corporation tax on the profit for the year	67,957	71,578
Adjustment in respect of the previous year	(154)	(1,216)
	<u>67,803</u>	<u>70,362</u>
<i>Deferred taxation</i>		
Origination and reversal of timing difference	(337)	(8,707)
Adjustment in respect of previous year	(65)	-
Effect of tax rate change on opening balance	335	-
	<u>(67)</u>	<u>(8,707)</u>
Taxation on profit on ordinary activities	<u>67,736</u>	<u>61,655</u>

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

	2016 £	2015 £
Profit on ordinary activities before tax	<u>336,336</u>	<u>363,287</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 – 20%)	67,267	72,657
Effects of:		
Expenses not deductible for tax purposes	271	185
Fixed asset differences	1,664	(4,287)
Other short term timing differences	(1,642)	(3,955)
Tax rate and other differences	395	(1,729)
Adjustments in respect of the previous year	(219)	(1,216)
Tax charge for the year	<u>67,736</u>	<u>61,655</u>

HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2016 (Continued)

7 Intangible fixed assets

	Computer software £
<i>Cost</i>	
At 1 January 2016 and at 31 December 2016	146,405
<i>Amortisation</i>	
At 1 January 2016	124,968
Provided for the year	8,320
At 31 December 2016	133,288
<i>Net book value</i>	
At 31 December 2016	13,117
At 31 December 2015	21,437

8 Tangible fixed assets

	Computer equipment £	Office equipment £	Total £
<i>Cost</i>			
At 1 January 2016 and at 31 December 2016	798	65,731	66,529
<i>Depreciation</i>			
At 1 January 2016	515	65,731	66,246
Provided for the year	200	-	200
At 31 December 2016	715	65,731	66,446
<i>Net book value</i>			
At 31 December 2016	83	-	83
At 31 December 2015	283	-	283

HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2016 (Continued)

9 Debtors

	2016 £	2015 £
<i>Falling due within one year:</i>		
Trade debtors	1,340,719	1,367,804
Amounts owed from group undertakings	3,584	11,907
Corporation tax recoverable	19,408	31,662
Other debtors	-	2,516
Prepayments and accrued income	168,372	54,837
<i>Falling due after one year</i>		
Deferred tax (note 12)	2,240	2,173
	<u>1,534,323</u>	<u>1,470,899</u>

10 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,687,593	1,655,076
Amounts owed to group undertakings	731,534	583,666
Other taxation and social security	16,252	26,499
Foreign currency forward contracts (note 11)	5,017	506
Other creditors	3,269	-
Accruals and deferred income	335,934	229,862
	<u>2,779,599</u>	<u>2,495,609</u>

11 Financial instruments

The carrying amount of each category of the Company's financial instruments held at fair value through profit or loss at 31 December were:

	2016 £	2015 £
Foreign exchange forward contracts	<u>5,017</u>	<u>506</u>

The company uses foreign currency forward contracts to manage the foreign exchange risk of future transactions and cash flows.

The contracts are valued based on available market data. The company does not adopt hedge accounting for forward exchange contracts and, consequently, fair value gains and losses are recognised in profit or loss.

HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2016 (Continued)

12 Deferred taxation

	2016 £
Balance at 1 January 2016	2,173
Movement in the year	67
Balance at 31 December 2016	2,240

The deferred tax assets recognised by the company are:

	2016 £	2015 £
Fixed asset timing differences	1,388	1,759
Short term timing differences	852	414
	2,240	2,173

13 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 £10,713 (2015 - £10,875). No contributions were outstanding at the year end (2015 - £Nil).

14 Commitments under operating leases

As at 31 December 2016, the total future minimum lease payments under non-cancellable operating leases for land and buildings as set out below:

	2016 £	2015 £
Amounts due:		
- Within one year	52,000	52,000
- Between one and five years	208,000	208,000
- After five years	346,667	138,667

In August 2016, the terms of the lease were renegotiated and the end date was extended by 4 years.

HPB TRAVEL CLUB LIMITED

Notes forming part of the financial statements for the year ended 31 December 2016 (Continued)

15 Share capital

	Authorised		Allotted, called up and fully paid	
	2016	2015	2016	2015
	£	£	£	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>50,000</u>	<u>50,000</u>

16 Ultimate parent company

Throughout the year and the previous year, the ultimate parent company was Quality Holidays Assured 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.

The address of the parent's registered office is:

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