

HPB Travel Club Limited**Report and Abbreviated Financial
Statements****Year Ended****31 December 1999**

HPB TRAVEL CLUB LIMITED

Annual report and abbreviated financial statements for the year ended 31 December 1999

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Directors

RG Boyce (Chairman)
GD Baber
NP Beamish
JC Boyce
PF Maltby

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 1999

The directors present their report together with the audited financial statements for the year ended 31 December 1999.

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 turnover by 3%. 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:

	£1 ordinary shares fully paid	
	1999	1998
RG Boyce (Chairman)	-	-
GD Baber	17	17
NP Beamish	-	-
JC Boyce	-	-
PF Maltby (appointed 23 June 1999)	-	-

In addition, JC Boyce was a potential beneficiary of a family trust which held 33,333 (1998 - 33,333) shares in the company at the year end.

Post balance sheet event

On 1 February 2000 the entire share capital of the company was acquired by HPB Services Limited. The change of ownership will not affect the company's business and operations.

Year 2000

The company has not experienced any significant impact of the Year 2000 issue on its business and operations. The costs of addressing the issue were not significant and the directors continue to monitor the situation.

HPB TRAVEL CLUB LIMITED

Report of the directors for the year ended 31 December 1999 (*Continued*)

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

21 June 2000

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

Auditors' report to HPB Travel Club Limited under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages 4 to 11, together with the financial statements of the company for the year ended 31 December 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 4 to 11 are properly prepared in accordance with those provisions.



BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
Bury St Edmunds

22 June 2000

HPB TRAVEL CLUB LIMITED

Profit and loss account for the year ended 31 December 1999

	Note	1999 £	1998 £
Gross profit		736,770	777,728
Administrative expenses		(676,238)	(650,872)
Operating profit	4	60,532	126,856
Interest receivable		37,427	45,023
Interest payable and similar charges	5	(508)	(54)
Profit on ordinary activities before taxation		97,451	171,825
Taxation on profit on ordinary activities	6	(29,058)	(51,581)
Retained profit for the year		68,393	120,244
Retained profit brought forward		324,933	204,689
Retained profit carried forward		393,326	324,933

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 1999 or 1998.

The notes on pages 7 to 11 form part of these abbreviated financial statements.

HPB TRAVEL CLUB LIMITED

Balance sheet at 31 December 1999

	Note	1999	1998
		£	£
Fixed assets			
Tangible assets	7	30,037	21,153
Current assets			
Debtors	8	1,560,328	1,325,450
Cash at bank and in hand		712,620	835,640
		<u>2,272,948</u>	<u>2,161,090</u>
Creditors: amounts falling due within one year	9	<u>(1,859,659)</u>	<u>(1,807,310)</u>
Net current assets		<u>413,289</u>	<u>353,780</u>
Net assets		<u>443,326</u>	<u>374,933</u>
Capital and reserves			
Called up share capital	10	50,000	50,000
Profit and loss account		393,326	324,933
Shareholders' funds		<u>443,326</u>	<u>374,933</u>

All shareholders' funds relate to equity interests.

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

The abbreviated financial statements were approved by the Board on 21 June 2000.



RG Boyce
Director

The notes on pages 7 to 11 form part of these abbreviated financial statements.

HPB TRAVEL CLUB LIMITED**Cash flow statement for the year ended 31 December 1999**

	Note	1999	1998
		£	£
Net cash (outflow)/inflow from operating activities	14	(84,385)	189,413
Returns on investments and servicing of finance			
Interest received		37,541	45,023
Interest paid		(508)	(54)
		<u>37,033</u>	<u>44,969</u>
Taxation			
Corporation tax paid		(53,149)	(30,967)
Capital expenditure			
Payments to acquire tangible fixed assets		(22,519)	(5,269)
(Decrease)/increase in cash	15	<u>(123,020)</u>	<u>198,146</u>

The notes on pages 7 to 11 form part of these abbreviated financial statements.

HPB TRAVEL CLUB LIMITED

Notes forming part of the abbreviated financial statements for the year ended 31 December 1999

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.

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.

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 abbreviated financial statements for the year ended 31 December 1999
(Continued)

3 Employees

Staff costs (including directors) consist of:

	1999 £	1998 £
Wages and salaries	329,239	322,232
Social security costs	30,025	28,795
Other pension costs	1,724	1,083
	<u>360,988</u>	<u>352,110</u>

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

	1999 Number	1998 Number
Administration and sales	<u>24</u>	<u>21</u>

4 Operating profit

	1999 £	1998 £
This has been arrived at after charging:		
Depreciation	13,635	8,387
Auditors' remuneration	3,000	3,000
Directors' remuneration	<u>75,843</u>	<u>90,909</u>

5 Interest payable and similar charges

	1999 £	1998 £
Bank overdraft	<u>508</u>	<u>54</u>

6 Taxation

	1999 £	1998 £
UK corporation tax	29,006	53,097
Adjustment in respect of prior years	52	(1,516)
	<u>29,058</u>	<u>51,581</u>

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

HPB TRAVEL CLUB LIMITED

Notes forming part of the abbreviated financial statements for the year ended 31 December 1999
(Continued)

7 Tangible assets

	Office equipment £	Computer equipment £	Total £
<i>Cost</i>			
At 1 January 1999	11,617	59,486	71,103
Additions	2,540	19,979	22,519
Disposals	(1,531)	(9,927)	(11,458)
At 31 December 1999	12,626	69,538	82,164
<i>Depreciation</i>			
At 1 January 1999	5,746	44,204	49,950
Provided for the year	1,013	12,622	13,635
Disposals	(1,531)	(9,927)	(11,458)
At 31 December 1999	5,228	46,899	52,127
<i>Net book value</i>			
At 31 December 1999	7,398	22,639	30,037
At 31 December 1998	5,871	15,282	21,153

8 Debtors

	1999 £	1998 £
Trade debtors	1,547,076	1,291,047
Other debtors	2,983	26,079
Prepayments	10,269	8,324
	1,560,328	1,325,450

9 Creditors: amounts falling due within one year

	1999 £	1998 £
Trade creditors	1,770,060	1,654,703
Amount owed to connected undertaking (note 12)	3,057	41,620
Corporation tax	29,006	53,097
Accruals	57,536	57,890
	1,859,659	1,807,310

HPB TRAVEL CLUB LIMITED

Notes forming part of the abbreviated financial statements for the year ended 31 December 1999
(Continued)

10 Called up share capital

	Authorised		Allotted, called up and fully paid	
	1999	1998	1999	1998
	£	£	£	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>50,000</u>	<u>50,000</u>

11 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 £1,724 (1998 - £1,083) and £Nil (1998 - £Nil) was outstanding at the year end.

12 Related party transactions and controlling interest

Balance with connected undertaking

At the year end the company owed £3,057 (1998 - £41,620) to HPB Management Limited (note 9).

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

Related party transactions

During the year management charges of £168,000 (1998 - £156,000) and commissions of £106,726 (1998 - £172,394) 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 £86,000 (1998 - £63,450) in favour of the Civil Aviation Authority.

HPB TRAVEL CLUB LIMITED

Notes forming part of the abbreviated financial statements for the year ended 31 December 1999
(Continued)

14 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	1999 £	1998 £
Operating profit	60,532	126,856
Depreciation of tangible fixed assets	13,635	8,387
Increase in debtors	(234,992)	(163,670)
Increase in creditors	76,440	217,840
Net cash (outflow)/inflow from operating activities	<u>(84,385)</u>	<u>189,413</u>

15 Reconciliation of net cashflow to movement in net funds

	1999 £	1998 £
(Decrease)/increase in cash in the year	(123,020)	198,146
Net funds: Cash at bank and in hand at 1 January 1999	<u>835,640</u>	<u>637,494</u>
at 31 December 1999	<u>712,620</u>	<u>835,640</u>