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Company Registration No. 01512421 (England and Wales)

CLASSIC COLLECTION HOLIDAYS LIMITED

AND SUBSIDIARY COMPANIES

ANNUAL REPORT

FOR THE YEAR ENDED 31 OCTOBER 2011



Carpenter Box LLP
Chartered Accountants
Amelia House
Crescent Road
Worthing
West Sussex
BN11 1QR

CLASSIC COLLECTION HOLIDAYS LIMITED

DIRECTORS AND ADVISERS

Directors	Mr N H P Munday Mr T D S Charlwood Mr J V Fleming Mr P E W Munday Mr A K Thomson Mr M de S Brackenbury Mr M D Rice
Secretary	Mr T D S Charlwood
Company number	01512421
Registered office	Amelia House Crescent Road Worthing West Sussex BN11 1QR
Registered auditors	Carpenter Box LLP Amelia House Crescent Road Worthing West Sussex BN11 1QR

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**

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CLASSIC COLLECTION HOLIDAYS LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2011

The directors present their report and financial statements for the year ended 31 October 2011

Principal activities and review of the business

The principal activity of the company continues as that of an outbound tour operator

Classic Collection Holidays' turnover for 2010/11 is up 16.4% to £47,953,555 (2009/10 £41,190,894) with a profit before tax of £2,678,586 (2009/10 £1,986,623). Net assets of £6,168,977 (2009/10 £5,472,871) underline a strong financial position well in excess of requirements imposed by the various licensing bodies.

These figures have been achieved despite the continuing challenges in the travel industry. The ongoing low value of the pound, especially against the euro, low interest receivable, and the continuation of the global financial crisis, have all contributed to this challenge. Additionally, various operational disruptions caused by the political unrest in Egypt, and national and localised strikes and industrial action by employees in destination countries, have made this year difficult. Although spend per passenger has risen, customers wish to justify monies spent and, in this continuing era of austerity, demand excellent value for money. Customers are adept at price comparisons and search for the best deals available leading to high call volumes and long call duration. Despite these challenges the resilience of Classic Collection Holidays' low risk model has produced an impressive operating profit percentage of 5.6% on turnover (2009/10 4.8%).

Classic Collection Holidays operates luxury holidays to most of the established Mediterranean, European and North African sunshine destinations, plus Bermuda. Holidays will be promoted in 14 brochures: general Summer and Winter, nine year-round specialist brochures promoting Madeira, Mallorca, Bermuda, Italy, Egypt, Turkey, Canary Islands, Greece & Cyprus, and Morocco, plus two Indulgence Summer and Winter brochures showcasing Classic's best properties. A new style Classic Family brochure will be produced and distributed in early 2012.

In addition to excellent value for money, luxury travellers demand a wide choice of destination, plus flexibility of departure point and holiday duration. Classic also provides an extensive choice of room types in properties ranging from good value four star hotels to luxury five star deluxe. Well priced holidays are delivered by tough contracting procedures and enhanced by a continuous stream of special offers negotiated with hotel partners. The booking process for this price flexibility is facilitated by the company's state-of-the-art computer system allowing all holidays to be dynamically packaged. Classic continues to purchase air seats and hotel beds only at the time at which customers confirm their bookings, thereby minimising financial commitment. Traditional tour operators who haven't updated their high risk business model with regards to bed & flight commitment continue to suffer. During the current global situation there is considerable concern regarding the financial stability of travel companies so all Classic Collection Holidays' brochures and promotional materials highlight the fact that its holidays are 100% financially protected by a UK Government backed scheme.

The long term sustainability of the company is based on delighted customers travelling again and again, recommending Classic Collection Holidays to their friends and family, and reporting back favourably to travel agents. Customer satisfaction is therefore of the utmost importance, and it is gratifying that the results from customer questionnaires this year remain at their highest ever levels of satisfaction.

CLASSIC COLLECTION HOLIDAYS LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

Although a number of UK travel agencies have closed during the current financial crisis, it is pleasing to note that new travel agencies plus an increasing number of travel agency homeworkers have opened for business allowing Classic to increase its trade distribution to approximately 3,000 outlets. The Classic Collection Holidays' brand continues to increase in popularity with both independent and multiple groups of agencies and the company is delighted to have received top trade awards in 2011 from the Association of Independent Tour Operators (AITO), Scottish Passenger Agents' Association (SPAA), Travel Bulletin, the consortia of Advantage, Elite, and TTA and Worldchoice, plus a Bronze Award at The British Travel Awards, a highly coveted consumer accolade.

Classic's public brand has been enhanced by continuing emphasis on local and national public relations combined with ongoing development of its website and associated eMarketing.

The company's premises in central Worthing continue to provide an excellent working environment for the 100-strong workforce, and stand the company in good stead for future expansion. The freehold of the premises, Saxon House, was purchased in 2009 with Classic's own capital at an extremely favourable price and, together with the rental received from the tenants on the top floor, ensures that a low infrastructure overhead is maintained.

Classic Collection Holidays recognises the importance of environmental issues surrounding the travel industry and continues to promote a carbon offsetting scheme, Reduce My Footprint, to its customers. Additionally the company paid £707 to offset the carbon emissions created by the work-related air travel of its employees during 2010/11.

Of the three wholly owned subsidiaries, Classic Collection Aviation Limited carried out the transport broking business of the Group, Saxon House Properties Limited owns the freehold of the company's central Worthing premises, whilst Classic Collection Holidays, Travel and Leisure Limited, remained dormant throughout the year.

The Directors acknowledge and appreciate the management team and staff for their passionate, professional and tireless support and loyalty to Classic Collection Holidays.

The executive directors and management team continuously assess, manage and, wherever possible, mitigate the primary risks to the company's business including foreign exchange exposure (currency hedging), customer and travel agent credit risk (insurance), over-reliance on any major customer or supplier (diversification), IT failure (off-site disaster recovery), accidental death or injury to customers whilst on holiday (ongoing hotel health and safety assessments), and global terrorism.

Corporate social responsibility

Classic believes in the importance of its own social performance and within its business model practices a sustainable responsible business ensuring an active compliance with the spirit of the law and encouraging a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and other relevant members within the public arena. Classic during 2010/11 paid approximately £1,000,000 in Air Passenger Duty (customers), PAYE and National Insurance (employees), plus tax payable amounting to £1,800,000 in direct taxation pertaining to Corporation Tax, Employers' National Insurance and (Tour Operators' Margin Scheme) VAT. Unlike many companies wishing to register off shore to benefit from tax exemptions and legal exclusions, Classic's directors, managers and employees wish to maintain a successful and efficient UK based business.

Results and dividends

The consolidated profit and loss account for the year is set out on page 6.

An interim ordinary dividend was paid amounting to £1,250,000. The directors do not recommend payment of a final dividend.

Market value of land and buildings

In the opinion of the directors the market value of land and buildings is equal to the current net book value.

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 OCTOBER 2011

Future developments

It is unclear how quickly the world will recover from the current financial crisis and 2012 will undoubtedly be another challenging year for the travel industry as the global situation continues to have a bearing on customer wealth and confidence. However, the directors remain optimistic about the medium term prospects for the luxury travel market and they will ensure that Classic Collection Holidays is well financed and keenly structured to take maximum benefit of the inevitable upturn of the economy.

Directors

The following directors have held office since 1 November 2010

Mr N H P Munday
Mr T D S Charlwood
Mr J V Fleming
Mr P E W Munday
Mr A K Thomson
Mr M de S Brackenbury
Mr M D Rice

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	31 October 2011	1 November 2010
Mr N H P Munday	600,000	600,000
Mr T D S Charlwood	-	-
Mr J V Fleming	200,000	200,000
Mr P E W Munday	100,000	100,000
Mr A K Thomson	100,000	100,000
Mr M de S Brackenbury	50,000	50,000
Mr M D Rice	-	-

No directors held any shares in other group companies

	2011	2010
	£	£

During the year the group made the following payments

Charitable donations	<u>4,830</u>	<u>4,907</u>
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Charitable donations relate to amounts given to help support local charities

Creditor payment policy

The company's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of each transaction,
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- pay in accordance with the company's contractual and other legal obligations

On average, trade creditors at the year end represented 28 (2010 - 27) days' purchases

Auditors

The auditors were deemed to be reappointed under Section 487(2) of the Companies Act 2006

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 OCTOBER 2011

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

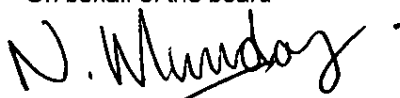
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have 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 group's auditors are aware of that information.

On behalf of the board



Mr N H P Munday

Director

19/12/2011

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF CLASSIC COLLECTION HOLIDAYS LIMITED

We have audited the financial statements of Classic Collection Holidays Limited for the year ended 31 October 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 members, as a body, 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 members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 October 2011 and of the group's 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.

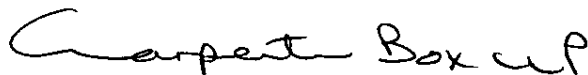
Opinion on other matter prescribed by the Companies Act 2006

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.



Eileen Goff ACA FCCA DChA (Senior Statutory Auditor)
for and on behalf of Carpenter Box LLP
Chartered Accountants
Statutory Auditor
Worthing

20th December 2011

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2011**

	Notes	2011 £	2010 £
Turnover	2	47,953,555	41,190,894
Cost of sales		(41,031,802)	(35,272,244)
Gross profit		6,921,753	5,918,650
Administrative expenses		(4,325,555)	(3,996,699)
Other operating income		-	400
Operating profit	3	2,596,198	1,922,351
Other interest receivable and similar income		82,388	64,294
Interest payable and similar charges	4	-	(22)
Profit on ordinary activities before taxation		2,678,586	1,986,623
Tax on profit on ordinary activities	5	(732,480)	(570,493)
Profit on ordinary activities after taxation		1,946,106	1,416,130

The profit and loss account has been prepared on the basis that all operations are continuing operations

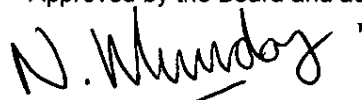
There are no recognised gains and losses other than those passing through the profit and loss account

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES
BALANCE SHEETS**

AS AT 31 OCTOBER 2011

	Notes	Group 2011 £	2010 £	Company 2011 £	2010 £
Fixed assets					
Intangible assets	8	397,733	435,606	397,733	435,606
Tangible assets	9	2,590,446	2,638,607	79,391	86,793
Investments	10	-	-	61,336	61,336
		<u>2,988,179</u>	<u>3,074,213</u>	<u>538,460</u>	<u>583,735</u>
Current assets					
Debtors	11	2,799,944	2,617,033	4,435,110	4,130,175
Cash at bank and in hand		9,291,875	7,869,690	8,851,909	7,780,881
		<u>12,091,819</u>	<u>10,486,723</u>	<u>13,287,019</u>	<u>11,911,056</u>
Creditors: amounts falling due within one year	12	<u>(8,903,321)</u>	<u>(8,080,265)</u>	<u>(8,222,110)</u>	<u>(7,370,315)</u>
Net current assets		<u>3,188,498</u>	<u>2,406,458</u>	<u>5,064,909</u>	<u>4,540,741</u>
Total assets less current liabilities		<u>6,176,677</u>	<u>5,480,671</u>	<u>5,603,369</u>	<u>5,124,476</u>
Provisions for liabilities	13	<u>(7,700)</u>	<u>(7,800)</u>	<u>(4,700)</u>	<u>(2,600)</u>
		<u>6,168,977</u>	<u>5,472,871</u>	<u>5,598,669</u>	<u>5,121,876</u>
Capital and reserves					
Called up share capital	15	1,125,000	1,125,000	1,125,000	1,125,000
Profit and loss account	16	5,043,977	4,347,871	4,473,669	3,996,876
Shareholders' funds	17	<u>6,168,977</u>	<u>5,472,871</u>	<u>5,598,669</u>	<u>5,121,876</u>

Approved by the Board and authorised for issue on 19 DECEMBER 2011



Mr N H P Munday
Director



Mr T D S Charlwood
Director

Company Registration No. 01512421

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2011**

	Note	£	2011 £	£	2010 £
Net cash inflow from operating activities	22		3,207,240		2,288,414
Returns on investments and servicing of finance					
Interest received		82,388		59,781	
Interest paid		-		(22)	
Net cash inflow for returns on investments and servicing of finance			82,388		59,759
Taxation			(570,693)		(792,023)
Capital expenditure					
Payments to acquire tangible assets		(46,750)		(51,320)	
Net cash outflow for capital expenditure			(46,750)		(51,320)
Equity dividends paid			(1,250,000)		(1,650,000)
Net cash inflow/(outflow) before management of liquid resources and financing			1,422,185		(145,170)
Increase/(decrease) in cash in year	23, 24		1,422,185		(145,170)

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2011**

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings using acquisition accounting. Intra-group transactions and balances are fully eliminated on consolidation.

1.4 Turnover

Turnover represents amounts receivable from ordinary activities before deducting travel agent commission where appropriate and exclusive of VAT and is recognised on date of departure.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life which is considered to be 20 years.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	2% straight line per annum - buildings element
Computer equipment	33 3% straight line per annum
Fixtures and fittings	25% straight line per annum
Motor vehicles	25% straight line per annum

1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

Investments represent the holdings in the subsidiaries and are stated at cost less any provision for diminution in value.

1.9 Pensions

The pension costs charged in the financial statements represent the contributions payable by the group during the year.

1.10 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at a costed rate and all differences are taken to profit and loss account.

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2011

1 Accounting policies (continued)

1 12 Share based payments

The group accounts for share based payments in accordance with Financial Reporting Standard 20 'Share-based Payment'

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit	2011	2010
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	37,873	37,873
Depreciation of tangible assets	94,911	103,858
Operating lease rentals	-	1,176
	<u> </u>	<u> </u>

None of the above operating lease rentals relate to plant and machinery

Auditors' remuneration

Fees payable to the group's auditor for the audit of the group's annual accounts (company £9,000, 2010 £8,050)	13,220	12,530
Accountancy, taxation and regulatory compliance services	15,073	20,222
	<u> </u>	<u> </u>
	28,293	32,752
	<u> </u>	<u> </u>

4 Interest payable	2011	2010
	£	£
Other interest	-	22
	<u> </u>	<u> </u>

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2011

5	Taxation	2011	2010
		£	£
	Domestic current year tax		
	U K corporation tax	732,938	570,693
	Adjustment for prior years	(358)	-
	Total current tax	732,580	570,693
	Deferred tax		
	Origination and reversal of timing differences	(100)	(200)
		732,480	570,493
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	2,678,586	1,986,623
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.83% (2010 - 28.00%)	718,665	556,254
	Effects of		
	Non deductible expenses	294	3,173
	Depreciation and amortisation add back	35,623	39,684
	Capital allowances	(16,986)	(20,162)
	Adjustments to previous periods	(358)	-
	Marginal rate adjustment	(4,658)	(8,256)
		13,915	14,439
	Current tax charge for the year	732,580	570,693
6	Profit for the financial year		
	As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows		
		2011	2010
		£	£
	Holding company's profit for the financial year	1,726,793	2,063,213
7	Dividends	2011	2010
		£	£
	Ordinary interim paid	1,250,000	1,650,000

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2011

8 Intangible fixed assets
Group

	Goodwill £
Cost	
At 1 November 2010 & at 31 October 2011	757,466
Amortisation	
At 1 November 2010	321,860
Charge for the year	37,873
At 31 October 2011	359,733
Net book value	
At 31 October 2011	397,733
At 31 October 2010	435,606

Intangible fixed assets (continued)
Company

	Goodwill £
Cost	
At 1 November 2010 & at 31 October 2011	757,466
Amortisation	
At 1 November 2010	321,860
Charge for the year	37,873
At 31 October 2011	359,733
Net book value	
At 31 October 2011	397,733
At 31 October 2010	435,606

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2011

9 Tangible fixed assets

Group	Freehold land and buildings	Computer equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 2010	2,564,920	279,345	112,010	7,700	2,963,975
Additions	-	39,623	7,127	-	46,750
At 31 October 2011	2,564,920	318,968	119,137	7,700	3,010,725
Depreciation					
At 1 November 2010	39,123	230,358	51,556	4,331	325,368
Charge for the year	31,298	38,229	23,459	1,925	94,911
At 31 October 2011	70,421	268,587	75,015	6,256	420,279
Net book value					
At 31 October 2011	2,494,499	50,381	44,122	1,444	2,590,446
At 31 October 2010	2,525,797	48,987	60,454	3,369	2,638,607

Tangible fixed assets (continued)
Company

	Computer equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 November 2010	279,345	74,167	7,700	361,212
Additions	39,623	7,127	-	46,750
At 31 October 2011	318,968	81,294	7,700	407,962
Depreciation				
At 1 November 2010	230,358	39,730	4,331	274,419
Charge for the year	38,229	13,998	1,925	54,152
At 31 October 2011	268,587	53,728	6,256	328,571
Net book value				
At 31 October 2011	50,381	27,566	1,444	79,391
At 31 October 2010	48,987	34,437	3,369	86,793

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2011

10 Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 November 2010 & at 31 October 2011	61,336
Net book value	
At 31 October 2011	61,336
At 31 October 2010	61,336

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Classic Collection Aviation Ltd	England and Wales	Ordinary	100
Classic Collection Holiday Travel & Leisure Ltd	England and Wales	Ordinary	100
Saxon House Properties Ltd	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2011 £	Profit for the year 2011 £
	Principal activity		
Classic Collection Aviation Ltd	Transport broker	451,978	449,977
Classic Collection Holiday Travel & Leisure Ltd	Dormant	59,335	-
Saxon House Properties Ltd	Property management for group trading premises	120,331	120,329

After the balance sheet date the subsidiary profit figures stated above were distributed to their parent company, Classic Collection Holidays Limited

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2011

11 Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	372,341	352,159	372,341	352,159
Amounts owed by group undertakings	-	-	3,625,546	3,423,691
Other debtors	616,323	455,260	13,309	3,634
Prepayments and accrued income	1,811,280	1,809,614	423,914	350,691
	<u>2,799,944</u>	<u>2,617,033</u>	<u>4,435,110</u>	<u>4,130,175</u>

12 Creditors amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Payments received on account	2,438,567	2,758,895	2,438,567	2,758,895
Trade creditors	4,767,311	4,284,693	4,339,496	3,748,531
Amounts owed to group undertakings	-	-	59,335	59,335
Corporation tax	432,580	270,693	215,914	131,038
Taxes and social security costs	555,500	323,177	544,791	314,077
Other creditors	53,595	53,595	-	-
Accruals and deferred income	655,768	389,212	624,007	358,439
	<u>8,903,321</u>	<u>8,080,265</u>	<u>8,222,110</u>	<u>7,370,315</u>

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13 Provisions for liabilities
Group

	Deferred taxation £
Balance at 1 November 2010	7,800
Profit and loss account	(100)
Balance at 31 October 2011	<u>7,700</u>

Company

Balance at 1 November 2010	2,600
Profit and loss account	2,100
Balance at 31 October 2011	<u>4,700</u>

The deferred tax liability is made up as follows:

	Group 2011 £	2010 £	Company 2011 £	2010 £
Accelerated capital allowances	<u>7,700</u>	<u>7,800</u>	<u>4,700</u>	<u>2,600</u>

14 Pension and other post-retirement benefit commitments

Defined contribution

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds.

	2011 £	2010 £
Contributions payable by the group for the year	<u>31,571</u>	<u>20,361</u>

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15 Share capital	2011	2010
	£	£
Allotted, called up and fully paid		
1,125,000 Ordinary shares of £1 each	1,125,000	1,125,000

On 17 June 2008 the company set-up the Classic Collection Holidays Limited unapproved executive share option scheme 2008 for the benefit of the group's senior employees. On 28 July 2008 a fair value of £4.33 per ordinary share was established. In 2008 45,000 options were granted with exercise prices ranging from £8.00 - £13.00. The options can only be exercised following an 'exit event', accordingly no charge is required to the profit and loss account in this financial year. At the balance sheet date 45,000 share options were outstanding. Mr M D Rice, a director, has an interest in these options.

16 Statement of movements on profit and loss account
Group

	Profit and loss account £
Balance at 1 November 2010	4,347,871
Profit for the year	1,946,106
Dividends paid	(1,250,000)
Balance at 31 October 2011	5,043,977

Company

	Profit and loss account £
Balance at 1 November 2010	3,996,876
Profit for the year	1,726,793
Dividends paid	(1,250,000)
Balance at 31 October 2011	4,473,669

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17 Reconciliation of movements in shareholders' funds	2011	2010
Group	£	£
Profit for the financial year	1,946,106	1,416,130
Dividends	(1,250,000)	(1,650,000)
	<u>696,106</u>	<u>(233,870)</u>
Net addition to/(depletion in) shareholders' funds	696,106	(233,870)
Opening shareholders' funds	5,472,871	5,706,741
	<u>5,472,871</u>	<u>5,706,741</u>
Closing shareholders' funds	6,168,977	5,472,871
	<u>6,168,977</u>	<u>5,472,871</u>
	2011	2010
Company	£	£
Profit for the financial year	1,726,793	2,063,213
Dividends	(1,250,000)	(1,650,000)
	<u>476,793</u>	<u>413,213</u>
Net addition to shareholders' funds	476,793	413,213
Opening shareholders' funds	5,121,876	4,708,663
	<u>5,121,876</u>	<u>4,708,663</u>
Closing shareholders' funds	5,598,669	5,121,876
	<u>5,598,669</u>	<u>5,121,876</u>

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18 Financial commitments

At 31 October 2011 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Expiry date				
Within one year	-	-	10,557	10,350

At the year end the group and company had entered into currency forward exchange contracts to the value of £11,780,351 (2010 - £10,049,590)

At 31 October 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Expiry date				
Within one year	-	-	10,557	10,350
In over five years	213,200	208,000	-	-
	<u>213,200</u>	<u>208,000</u>	<u>10,557</u>	<u>10,350</u>

19 Directors' remuneration

	2011	2010
	£	£
Remuneration for qualifying services	240,321	212,586
Company pension contributions to defined contribution schemes	9,400	9,150
	<u>249,721</u>	<u>221,736</u>

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	120,550	104,500
Company pension contributions to defined contribution schemes	5,000	4,750

Directors' emoluments exclude benefits in kind valued at £10,990 (2010 - £10,355)

The number of directors for whom retirement benefits are accruing under money purchase schemes amounted to 2 (2010 - 2)

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20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Total	<u>99</u>	<u>93</u>

Employment costs

	2011 £	2010 £
Wages and salaries	2,423,971	2,153,192
Social security costs	240,869	204,902
Other pension costs	31,571	20,361
	<u>2,696,411</u>	<u>2,378,455</u>

21 Control

For the whole year, the group was under the control of Mr N H P Munday, the major shareholder and managing director

22 Reconciliation of operating profit to net cash inflow from operating activities

	2011 £	2010 £
Operating profit	2,596,198	1,922,351
Depreciation of tangible assets	94,911	103,858
Amortisation of intangible assets	37,873	37,873
Increase in debtors	(182,911)	(539,375)
Increase in creditors within one year	661,169	763,707
Net cash inflow from operating activities	<u>3,207,240</u>	<u>2,288,414</u>

23 Analysis of net funds

	1 November 2010 £	Cash flow £	Other non- cash changes £	31 October 2011 £
Net cash				
Cash at bank and in hand	7,869,690	1,422,185	-	9,291,875
Net funds	<u>7,869,690</u>	<u>1,422,185</u>	<u>-</u>	<u>9,291,875</u>

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24 Reconciliation of net cash flow to movement in net debt	2011	2010
	£	£
Increase/(decrease) in cash in the year	1,422,185	(145,170)
Movement in net funds in the year	1,422,185	(145,170)
Opening net funds	7,869,690	8,014,860
Closing net funds	9,291,875	7,869,690
