

Company Registration No. 01512421 (England and Wales)

CLASSIC COLLECTION HOLIDAYS LIMITED

AND SUBSIDIARY COMPANIES

ANNUAL REPORT

FOR THE YEAR ENDED 31 OCTOBER 2012



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
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CLASSIC COLLECTION HOLIDAYS LIMITED AND SUBSIDIARY COMPANIES

CONTENTS

	Page
Directors' report	1 - 4
Independent auditors' report	5
Consolidated profit and loss account	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the financial statements	9 - 22

CLASSIC COLLECTION HOLIDAYS LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2012

The directors present their report and financial statements for the year ended 31 October 2012

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 2011/12 is up 3.5% to £49,616,497 (2010/11 £47,953,555) with a profit before tax of £2,752,280 (2010/11 £2,678,586). Net assets of £6,723,924 (2010/11 £6,168,977) underline a strong financial position well in excess of requirements imposed by the various licensing bodies.

These figures have been achieved despite the challenges faced by the UK economy and its outbound travel sector plus the low rate of interest receivable, although these negative influences have been somewhat neutralised by the pound rising against the euro and counter-balanced by a buoyant late summer market due to adverse UK weather. Continuing operational challenges due to political unrest, national and local strikes, and weather disruptions overseas, are conversely having a positive effect on travel intermediaries as customers appreciate the operational capabilities and customer services benefits associated with booking through travel agents and tour operators, plus the 100% financial protection afforded by holiday companies such as Classic Collection Holidays who are fully bonded through UK backed Government schemes (ABTA and ATOL).

Although spend per passenger continues to rise, customers need to justify their monies spent and demand excellent value for money. Customers are adept at price comparisons and, as they search for the best deals available, this leads to high call volumes and long call durations for Classic's reservations team. Despite these challenges the resilience of Classic Collection Holidays' low risk model has produced an impressive operating profit percentage of 5.3% on turnover (2010/11 5.4%).

Classic Collection Holidays operates luxury holidays to most of the established Mediterranean, European and North African sunshine destinations, plus Bermuda. Holidays are promoted in 15 brochures: general Summer and Winter, 10 year-round specialist brochures promoting Madeira, Mallorca, Bermuda, Italy, Egypt, Turkey, Canary Islands, Greece & Cyprus, Morocco and, new for 2013, a dedicated Croatia brochure, plus two Indulgence Summer and Winter brochures showcasing Classic's best properties, and a Classic Family brochure to promote the best properties for youngsters.

In addition to excellent value for money, luxury travellers demand a wide choice of destination, flexibility of departure point, and holiday duration, and 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.

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 2012

Although a number of UK travel agencies have closed down during the on-going economic difficulties, it is pleasing to note that new travel agencies plus an increasingly growing number of travel agency homeworkers continue to open for business allowing Classic to distribute via 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 2012 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, for the first time in the history of the company, the top award from Bermuda Department of Tourism, and a Gold Award at the highly revered (consumer-voted) British Travel Awards.

Classic's public brand has been enhanced by continuing emphasis on local and national public relations combined with on-going website development and increased investment in digital marketing and social networking.

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 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 for the year 2011/12, the company paid £750 to Beyond Carbon to pay towards a sustainability project to offset the carbon emissions created by the work-related air travel of its employees.

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 it operates a sustainable and responsible business ensuring 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 2011/12 paid approximately £1,100,000 in customers' Air Passenger Duty and employees' PAYE, plus £1,800,000 in direct taxation pertaining to Corporation Tax, Employers' National Insurance and Tour Operators' Margin Scheme (TOMS) 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, moral and efficient business within the UK.

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 £1,500,000. The directors do not recommend payment of a final dividend.

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

FOR THE YEAR ENDED 31 OCTOBER 2012

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

Future developments

Next year, 2013, will undoubtedly be another challenging year for the travel industry as global economics continue to have a bearing on customer wealth and confidence. However, the directors remain optimistic about the medium term prospects for the luxury travel sector and will ensure that Classic Collection Holidays is well financed and keenly structured to take maximum benefit from all opportunities

Directors

The following directors have held office since 1 November 2011

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 2012	1 November 2011
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

	2012	2011
	£	£
During the year the group made the following payments		
Charitable donations	5,273	4,830

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 (2011 - 28) days' purchases

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

FOR THE YEAR ENDED 31 OCTOBER 2012

Auditors

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

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

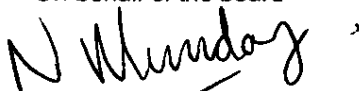
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

18 December 2012

**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 2012 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 2012 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 Houghton ACA FCCA DChA (Senior Statutory Auditor)
for and on behalf of Carpenter Box LLP
Chartered Accountants
Statutory Auditor
Worthing

20 December 2012

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2012**

	Notes	2012 £	2011 £
Turnover	2	49,616,497	47,953,555
Cost of sales		(42,633,115)	(41,031,802)
Gross profit		6,983,382	6,921,753
Administrative expenses		(4,333,125)	(4,325,555)
Operating profit	3	2,650,257	2,596,198
Other interest receivable and similar income		102,023	82,388
Profit on ordinary activities before taxation		2,752,280	2,678,586
Tax on profit on ordinary activities	4	(697,333)	(732,480)
Profit on ordinary activities after taxation		2,054,947	1,946,106

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 2012

	Notes	Group 2012 £	2011 £	Company 2012 £	2011 £
Fixed assets					
Intangible assets	7	359,859	397,733	359,859	397,733
Tangible assets	8	2,542,690	2,590,446	72,394	79,391
Investments	9	-	-	61,336	61,336
		<u>2,902,549</u>	<u>2,988,179</u>	<u>493,589</u>	<u>538,460</u>
Current assets					
Debtors	10	3,185,224	2,799,944	4,514,231	4,435,110
Cash at bank and in hand		10,159,895	9,291,875	9,952,515	8,851,909
		<u>13,345,119</u>	<u>12,091,819</u>	<u>14,466,746</u>	<u>13,287,019</u>
Creditors: amounts falling due within one year	11	<u>(9,518,644)</u>	<u>(8,903,321)</u>	<u>(8,838,739)</u>	<u>(8,222,110)</u>
Net current assets		<u>3,826,475</u>	<u>3,188,498</u>	<u>5,628,007</u>	<u>5,064,909</u>
Total assets less current liabilities		<u>6,729,024</u>	<u>6,176,677</u>	<u>6,121,596</u>	<u>5,603,369</u>
Provisions for liabilities	12	<u>(5,100)</u>	<u>(7,700)</u>	<u>(4,300)</u>	<u>(4,700)</u>
		<u>6,723,924</u>	<u>6,168,977</u>	<u>6,117,296</u>	<u>5,598,669</u>
Capital and reserves					
Called up share capital	14	1,125,000	1,125,000	1,125,000	1,125,000
Profit and loss account	15	5,598,924	5,043,977	4,992,296	4,473,669
Shareholders' funds	16	<u>6,723,924</u>	<u>6,168,977</u>	<u>6,117,296</u>	<u>5,598,669</u>

Approved by the Board and authorised for issue on 18 DECEMBER 2012

N. Munday

Mr N H P Munday
Director

[Signature]

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 2012**

	Note	£	2012 £	£	2011 £
Net cash inflow from operating activities	22		3,045,951		3,207,240
Returns on investments and servicing of finance					
Interest received		102,023		82,388	
Net cash inflow for returns on investments and servicing of finance			102,023		82,388
Taxation			(732,580)		(570,693)
Capital expenditure					
Payments to acquire tangible assets		(49,875)		(46,750)	
Receipts from sales of tangible assets		2,501		-	
Net cash outflow for capital expenditure			(47,374)		(46,750)
Equity dividends paid			(1,500,000)		(1,250,000)
Net cash inflow before management of liquid resources and financing			868,020		1,422,185
Increase in cash in the year	23, 24		868,020		1,422,185

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

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 Investments

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

1.8 Pensions

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

1.9 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.

1.10 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 2012

1 Accounting policies (continued)

1 11 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	2012	2011
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	37,874	37,873
Depreciation of tangible assets	96,347	94,911
and after crediting		
Profit on disposal of tangible assets	(1,217)	-

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, 2011 £9,000)	13,250	13,220
Accountancy, taxation and regulatory compliance services	15,784	15,073
	<u>29,034</u>	<u>28,293</u>

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2012

4	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	699,933	732,938
	Adjustment for prior years	-	(358)
	Total current tax	699,933	732,580
	Deferred tax		
	Origination and reversal of timing differences	(2,600)	(100)
		697,333	732,480
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	2,752,280	2,678,586
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.83% (2011 - 26.83%)	683,391	718,665
	Effects of		
	Non deductible expenses	264	294
	Depreciation and amortisation add back	33,327	35,623
	Capital allowances	(13,650)	(16,986)
	Adjustments to previous periods	-	(358)
	Marginal rate adjustment	(3,399)	(4,658)
		16,542	13,915
	Current tax charge for the year	699,933	732,580

5 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:

	2012	2011
	£	£
Holding company's profit for the financial year	2,018,627	1,726,793

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2012

6	Dividends	2012 £	2011 £
	Ordinary interim paid	<u>1,500,000</u>	<u>1,250,000</u>
7	Intangible fixed assets		
	Group		Goodwill £
	Cost		
	At 1 November 2011 & at 31 October 2012		<u>757,466</u>
	Amortisation		
	At 1 November 2011		359,733
	Charge for the year		<u>37,874</u>
	At 31 October 2012		<u>397,607</u>
	Net book value		
	At 31 October 2012		<u>359,859</u>
	At 31 October 2011		<u>397,733</u>
	Intangible fixed assets (continued)		
	Company		Goodwill £
	Cost		
	At 1 November 2011 & at 31 October 2012		<u>757,466</u>
	Amortisation		
	At 1 November 2011		359,733
	Charge for the year		<u>37,874</u>
	At 31 October 2012		<u>397,607</u>
	Net book value		
	At 31 October 2012		<u>359,859</u>
	At 31 October 2011		<u>397,733</u>

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2012

8 Tangible fixed assets

Group

	Freehold land and buildings	Computer equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 2011	2,564,920	318,968	119,137	7,700	3,010,725
Additions	-	38,387	2,989	8,499	49,875
Disposals	-	(46,595)	-	(7,700)	(54,295)
	<u>2,564,920</u>	<u>310,760</u>	<u>122,126</u>	<u>8,499</u>	<u>3,006,305</u>
At 31 October 2012	2,564,920	310,760	122,126	8,499	3,006,305
Depreciation					
At 1 November 2011	70,421	268,587	75,015	6,256	420,279
On disposals	-	(46,595)	-	(6,416)	(53,011)
Charge for the year	31,298	40,978	21,963	2,108	96,347
	<u>101,719</u>	<u>262,970</u>	<u>96,978</u>	<u>1,948</u>	<u>463,615</u>
At 31 October 2012	101,719	262,970	96,978	1,948	463,615
Net book value					
At 31 October 2012	<u>2,463,201</u>	<u>47,790</u>	<u>25,148</u>	<u>6,551</u>	<u>2,542,690</u>
At 31 October 2011	<u>2,494,499</u>	<u>50,381</u>	<u>44,122</u>	<u>1,444</u>	<u>2,590,446</u>

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2012

Tangible fixed assets (continued)
Company

	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 November 2011	318,968	81,294	7,700	407,962
Additions	38,387	2,989	8,499	49,875
Disposals	(46,595)	-	(7,700)	(54,295)
	<u>310,760</u>	<u>84,283</u>	<u>8,499</u>	<u>403,542</u>
At 31 October 2012				
Depreciation				
At 1 November 2011	268,587	53,728	6,256	328,571
On disposals	(46,595)	-	(6,416)	(53,011)
Charge for the year	40,978	12,502	2,108	55,588
	<u>262,970</u>	<u>66,230</u>	<u>1,948</u>	<u>331,148</u>
At 31 October 2012				
Net book value				
At 31 October 2012	<u>47,790</u>	<u>18,053</u>	<u>6,551</u>	<u>72,394</u>
At 31 October 2011	<u>50,381</u>	<u>27,566</u>	<u>1,444</u>	<u>79,391</u>

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2012**

9 Fixed asset investments

Company

**Shares in
group
undertakings
£**

Cost

At 1 November 2011 & at 31 October 2012

61,336

Net book value

At 31 October 2012

61,336

At 31 October 2011

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	Shares held	
		Class	%
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

	Principal activity	Capital and reserves 2012	Profit for the year 2012
		£	£
Classic Collection Aviation Ltd	Transport broker	478,992	476,991
Classic Collection Holiday Travel & Leisure Ltd	Dormant	59,335	-
Saxon House Properties Ltd	Property management for group trading premises	129,637	129,635

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 2012

10 Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	335,859	372,341	335,859	372,341
Amounts owed by group undertakings	-	-	3,678,506	3,625,546
Other debtors	605,129	616,323	16,127	13,309
Prepayments and accrued income	2,244,236	1,811,280	483,739	423,914
	<u>3,185,224</u>	<u>2,799,944</u>	<u>4,514,231</u>	<u>4,435,110</u>

11 Creditors : amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Payments received on account	3,607,253	2,438,567	3,607,253	2,438,567
Trade creditors	4,408,911	4,767,311	3,921,677	4,339,496
Amounts owed to group undertakings	-	-	59,335	59,335
Corporation tax	399,933	432,580	191,428	215,914
Taxes and social security costs	514,732	555,500	503,786	544,791
Other creditors	-	53,595	-	-
Accruals and deferred income	587,815	655,768	555,260	624,007
	<u>9,518,644</u>	<u>8,903,321</u>	<u>8,838,739</u>	<u>8,222,110</u>

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2012

12 Provisions for liabilities
Group

	Deferred taxation £
Balance at 1 November 2011	7,700
Profit and loss account	(2,600)
Balance at 31 October 2012	5,100

Company

Balance at 1 November 2011	4,700
Profit and loss account	(400)
Balance at 31 October 2012	4,300

The deferred tax liability is made up as follows:

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Accelerated capital allowances	5,100	7,700	4,300	4,700

13 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.

	2012	2011
	£	£
Contributions payable by the group for the year	31,426	31,571

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2012

14 Share capital	2012	2011
	£	£
Allotted, called up and fully paid		
1,125,000 Ordinary shares of £1 each	<u>1,125,000</u>	<u>1,125,000</u>

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.

15 Statement of movements on profit and loss account
Group

	Profit and loss account £
Balance at 1 November 2011	5,043,977
Profit for the year	2,054,947
Dividends paid	<u>(1,500,000)</u>
Balance at 31 October 2012	<u>5,598,924</u>

Company

	Profit and loss account £
Balance at 1 November 2011	4,473,669
Profit for the year	2,018,627
Dividends paid	<u>(1,500,000)</u>
Balance at 31 October 2012	<u>4,992,296</u>

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2012

16 Reconciliation of movements in shareholders' funds	2012	2011
Group	£	£
Profit for the financial year	2,054,947	1,946,106
Dividends	(1,500,000)	(1,250,000)
	<u>554,947</u>	<u>696,106</u>
Net addition to shareholders' funds	554,947	696,106
Opening shareholders' funds	6,168,977	5,472,871
	<u>6,723,924</u>	<u>6,168,977</u>
Closing shareholders' funds	<u>6,723,924</u>	<u>6,168,977</u>
	2012	2011
Company	£	£
Profit for the financial year	2,018,627	1,726,793
Dividends	(1,500,000)	(1,250,000)
	<u>518,627</u>	<u>476,793</u>
Net addition to shareholders' funds	518,627	476,793
Opening shareholders' funds	5,598,669	5,121,876
	<u>6,117,296</u>	<u>5,598,669</u>
Closing shareholders' funds	<u>6,117,296</u>	<u>5,598,669</u>

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2012

17 Financial commitments

At 31 October 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date				
Within one year	-	-	11,032	10,557

At the year end the group and company had entered into currency forward exchange contracts to the value of £11,650,881 (2011 - £11,780,351)

At 31 October 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date				
Within one year	-	-	11,032	10,557
In over five years	218,530	213,200	-	-
	218,530	213,200	11,032	10,557

18 Directors' remuneration

	2012	2011
	£	£
Remuneration for qualifying services	240,425	240,321
Company pension contributions to defined contribution schemes	10,300	9,400
	250,725	249,721

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

Remuneration for qualifying services	115,725	120,550
Company pension contributions to defined contribution schemes	5,300	5,000

Directors' emoluments exclude benefits in kind valued at £12,727 (2011 - £10,990)

The number of directors for whom retirement benefits are accruing under money purchase schemes amounted to 2 (2011 - 2)

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2012

19 Employees

Number of employees

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

	2012	2011
	Number	Number
Total	105	99

Employment costs

	2012	2011
	£	£
Wages and salaries	2,530,687	2,423,971
Social security costs	225,046	240,869
Other pension costs	31,426	31,571
	<u>2,787,159</u>	<u>2,696,411</u>

20 Control

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

21 Related party transactions

Company

The company has taken advantage of the exemption available in Financial Reporting Standard 8 'Related Party Disclosures' whereby it has not disclosed transactions with any wholly owned subsidiary undertaking

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

	2012	2011
	£	£
Operating profit	2,650,257	2,596,198
Depreciation of tangible assets	96,347	94,911
Amortisation of intangible assets	37,874	37,873
Profit on disposal of tangible assets	(1,217)	-
Increase in debtors	(385,280)	(182,911)
Increase in creditors within one year	647,970	661,169
Net cash inflow from operating activities	<u>3,045,951</u>	<u>3,207,240</u>

**CLASSIC COLLECTION HOLIDAYS LIMITED
AND SUBSIDIARY COMPANIES**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2012

23	Analysis of net funds	1 November 2011	Cash flow	Other non- cash changes	31 October 2012
		£	£	£	£
	Net cash				
	Cash at bank and in hand	9,291,875	868,020	-	10,159,895
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Net funds	9,291,875	868,020	-	10,159,895
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
24	Reconciliation of net cash flow to movement in net debt			2012	2011
				£	£
	Increase in cash in the year			868,020	1,422,185
				<u> </u>	<u> </u>
	Movement in net funds in the year			868,020	1,422,185
	Opening net funds			9,291,875	7,869,690
				<u> </u>	<u> </u>
	Closing net funds			10,159,895	9,291,875
				<u> </u>	<u> </u>