

BOURNE HOLIDAYS LIMITED

Report and Financial Statements

31 December 2013

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COMPANIES HOUSE

Bourne Holidays Limited

Registered No. 1854900

DIRECTORS

J P Dunford
J E Bentall
D F King

SECRETARY

D F King

AUDITORS

Ernst & Young LLP
1 More London Place
London SE1 2AF

BANKERS

Barclays Bank PLC
1 Churchill Place
London E14 5HP

SOLICITORS

Slaughter and May
One Bunhill Row
London EC1Y 8YY

REGISTERED OFFICE

1 Park Lane
Hemel Hempstead
Hertfordshire HP2 4YL

Bourne Holidays Limited

Registered No. 1854900

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2013.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

During the year the principal activity of the company was the provision of holiday accommodation together with associated facilities within the United Kingdom.

The company's key financial and other performance indicators during the year were as follows:

	2013 £000	2012 £000	Change %
Turnover	116,312	114,596	1.5
Profit on ordinary activities before taxation	8,981	9,253	(2.9)
Profit after tax	6,948	6,440	7.9
Shareholders' funds	56,997	56,449	1.0
Average number of employees	2,362	2,360	0.1

Turnover increased by 1.5%. Profit on ordinary activities before taxation decreased from £9,253,000 in 2012 to £8,981,000 in 2013, mainly because of an increase in certain administrative expenses. Profit after tax increased by 7.9% because of a lower tax charge.

Guest loyalty and repeat business underpins the long term growth of the company. The company continues to sustain high guest satisfaction ratings.

Shareholders' funds increased by 1.0% because of the profit realised for the year of £6,948,000 less dividends paid of £6,400,000.

In the future, the directors expect the business to show continued growth.

PRINCIPAL RISKS AND UNCERTAINTIES

The company recognises a variety of financial and market based risks, including exposure to fluctuating interest risks, changing economic conditions, technological and industry based risks, the competitive environment and regulatory changes. These, either singularly or collectively, may affect revenue, cost structure or the value of assets within the business, and are all difficult to quantify.

The main financial risks arising from the company's business are liquidity and cash flow risk and credit risk, and policies with respect to these risks are described below. There is no currency exposure as all material transactions and financial instruments are in sterling.

- Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities and exposure to variability in cash flows. The company aims to mitigate liquidity and cash flow risk by managing its cash generation. The company also manages liquidity and cash flow risk by utilising its cash resources.

- Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

By order of the board


D F King
Secretary

29 April 2014

Bourne Holidays Limited

Registered No. 1854900

DIRECTORS' REPORT

The directors present their report for the year ended 31 December 2013.

DIRECTORS

The present directors are listed on page 1.

DIVIDENDS

The company paid a dividend of £6,400,000 in the year (2012 – £4,300,000).

EMPLOYEES

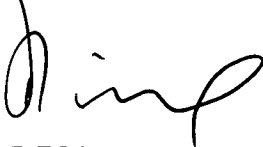
Employees are kept informed of the performance and objectives of the company through established methods of briefing and consultations.

The company gives disabled people full and fair consideration for all job vacancies for which they offer themselves as suitable candidates having regard to their particular aptitudes and abilities. Training and career development opportunities are available to all employees.

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board



D F King
Secretary
29 April 2014

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, 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). The financial statements are required by law to 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 judgments and 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; 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 that disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOURNE HOLIDAYS LIMITED

We have audited the financial statements of Bourne Holidays Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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 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 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 set out on page 4, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 company, or returns adequate for our audit have not yet 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.

Ernst & Young LLP

Iain Wilkie (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
28 May 2014

Bourne Holidays Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2013

	<i>Notes</i>	<i>2013</i> <i>£000</i>	<i>2012</i> <i>£000</i>
TURNOVER	2	116,312	114,596
Cost of sales		<u>(28,026)</u>	<u>(29,085)</u>
GROSS PROFIT		88,286	85,511
Administrative expenses		<u>(79,305)</u>	<u>(76,258)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	8,981	9,253
Tax on profit on ordinary activities	5	<u>(2,033)</u>	<u>(2,813)</u>
PROFIT FOR THE FINANCIAL YEAR	14	<u><u>6,948</u></u>	<u><u>6,440</u></u>

All of the company's activities are regarded as continuing.

There were no recognised gains or losses in either year other than those recognised in the profit and loss account.

A reconciliation of shareholders' funds and movement on reserves is provided in note 14 to the financial statements.

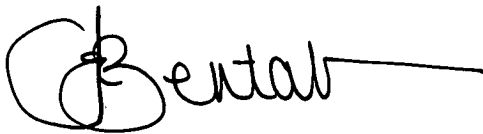
The notes on pages 8 to 13 form part of these financial statements.

Bourne Holidays Limited

BALANCE SHEET At 31 December 2013

		2013	2012
	Notes	£000	£000
FIXED ASSETS			
Tangible assets	6	145,308	138,780
Investments	7	8,862	8,862
		<u>154,170</u>	<u>147,642</u>
CURRENT ASSETS			
Stocks	8	834	820
Debtors	9	1,736	2,312
Cash at bank and in hand		12,552	23,123
		<u>15,122</u>	<u>26,255</u>
CREDITORS: amounts falling due within one year	10	<u>(93,556)</u>	<u>(95,571)</u>
NET CURRENT LIABILITIES		<u>(78,434)</u>	<u>(69,316)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>75,736</u>	<u>78,326</u>
PROVISIONS FOR LIABILITIES	11	(3,440)	(4,221)
DEFERRED INCOME	1	(15,299)	(17,656)
		<u>56,997</u>	<u>56,449</u>
CAPITAL AND RESERVES			
Called up share capital	13	50,000	50,000
Profit and loss account	14	6,997	6,449
Equity shareholders' funds		<u>56,997</u>	<u>56,449</u>

Approved by the Board of Directors on 29 April 2014



J E Bentall
Director

The notes on pages 8 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2013

1. ACCOUNTING POLICIES

Accounting convention

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

Going concern

The financial statements are prepared under the going concern basis. The directors believe this is appropriate as the company's ultimate parent undertaking, Bourne Leisure Holdings Limited, has given an undertaking to provide such support as is necessary in the foreseeable future to enable the company to meet its liabilities as they fall due.

Group financial statements

The company has not presented consolidated financial statements as these are included in the financial statements of the ultimate parent undertaking (see note 16). Accordingly, the financial statements present information regarding the company as an individual undertaking and not as a group.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 (Revised) from presenting a cash flow statement as it is a wholly owned subsidiary of a UK parent undertaking.

Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8 and has not disclosed any related party transactions with entities of the group.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs on disposal.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of VAT.

Investments

Investments in subsidiaries are included in the balance sheet of the company at the cost at the date of acquisition. Provision is made where, in the opinion of the directors, there has been permanent diminution in the carrying value of any investment.

Pension costs

Pension contributions are made to a defined contribution scheme. These contributions are charged to the profit and loss account as they are incurred.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Bourne Holidays Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2013

1. ACCOUNTING POLICIES (continued)

Depreciation

Properties

No depreciation is provided on freehold land.

Freehold buildings are depreciated on a straight-line basis over a period of between 20 years and 50 years, or remaining life if less. Other leasehold properties are depreciated over the shorter of between 20 years and 50 years, their estimated useful lives or the terms of the leases.

Other

Depreciation is calculated to write off the cost of the assets over their expected useful lives by equal annual instalments, principally at the follow rates:

Long life plant and machinery	–	10 years
Vehicles	–	4 years
Fixtures and fittings	–	6 years
Computer equipment	–	3 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred income

Income invoiced or cash received for site fees, holidays and other goods and services relating to future periods is included within deferred income.

2. TURNOVER

Turnover is stated net of value added tax and represents amounts invoiced to third parties for goods and services provided during the year.

Turnover is attributable to the provision of holiday accommodation and associated facilities and derives mainly in the UK.

Bourne Holidays Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2013

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	2013	2012
	£000	£000
Depreciation of tangible fixed assets	9,772	8,897
Operating lease rentals – land and buildings	392	392
Auditor's remuneration	30	30
	<u>9,772</u>	<u>8,897</u>

The directors of the company were also directors of other undertakings within the Bourne Leisure Holdings Limited group. The directors' remuneration for the year is disclosed in the accounts of Bourne Leisure Holdings Limited. The directors do not believe it is practicable to apportion this amount between their qualifying services as directors of the company and their qualifying services as directors of other undertakings within the Bourne Leisure Holdings Limited group.

4. STAFF COSTS

	2013	2012
	£000	£000
Wages and salaries	31,214	30,690
Social security costs	2,001	2,053
Other pension costs	280	206
	<u>33,495</u>	<u>32,949</u>

The average weekly number of employees, excluding directors during the period was 2,362 (2012 – 2,360).

5. TAXATION

(a) Tax charge on profit on ordinary activities

	2013	2012
	£000	£000
Current taxation		
Current year charge	2,865	2,980
Adjustment in respect of previous years	(51)	-
	<u>2,814</u>	<u>2,980</u>
Deferred taxation		
Origination and reversal of timing differences (see note 11)	(781)	(167)
Tax charge on profit on ordinary activities	<u>2,033</u>	<u>2,813</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is different from the standard rate of corporation tax in the UK of 23.25% (2012 – 24.5%). The differences are reconciled below:

	2013	2012
	%	%
UK corporation tax rate	23.2	24.5
Permanent differences – disallowed expenses	4.7	4.7
Decelerated capital allowances	3.1	3.0
Adjustment in respect of previous years	(0.6)	-
Others	0.9	-
Effective tax rate	<u>31.3</u>	<u>32.2</u>

c) Factors affecting future tax charge

There are no major factors affecting future charges to tax.

Bourne Holidays Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2013

6. TANGIBLE FIXED ASSETS

	<i>Freehold property £000</i>	<i>Leasehold property £000</i>	<i>Fixtures fittings and equipment £000</i>	<i>Total £000</i>
Cost:				
At 1 January 2013	139,410	55,911	70,990	266,311
Additions	9,750	251	6,299	16,300
Disposals	-	-	(4,162)	(4,162)
At 31 December 2013	<u>149,160</u>	<u>56,162</u>	<u>73,127</u>	<u>278,449</u>
Depreciation:				
At 1 January 2013	36,212	35,835	55,484	127,531
Charge for the year	3,480	406	5,886	9,772
Disposals	-	-	(4,162)	(4,162)
At 31 December 2013	<u>39,692</u>	<u>36,241</u>	<u>57,208</u>	<u>133,141</u>
Net book value:				
At 31 December 2013	<u>109,468</u>	<u>19,921</u>	<u>15,919</u>	<u>145,308</u>
At 31 December 2012	<u>103,198</u>	<u>20,076</u>	<u>15,506</u>	<u>138,780</u>

7. INVESTMENTS

	<i>£000</i>
Subsidiary undertaking:	
Cost:	
At 1 January 2013 and at 31 December 2013	<u>28,536</u>
Amounts provided:	
At 1 January 2013 and at 31 December 2013	<u>19,674</u>
Net book value:	
At 1 January 2013 and at 31 December 2013	<u>8,862</u>

The investment in shares at 31 December 2013 represents the whole of the issued ordinary share capital of Warner Holidays Limited, a dormant company, registered in England and Wales.

8. STOCKS

	<i>2013 £000</i>	<i>2012 £000</i>
Raw materials and consumables	<u>834</u>	<u>820</u>

9. DEBTORS

	<i>2013 £000</i>	<i>2012 £000</i>
Trade debtors	371	975
Other debtors and prepayments	1,365	1,337
	<u>1,736</u>	<u>2,312</u>

Bourne Holidays Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2013

10. CREDITORS: amounts falling due within one year

	<i>2013</i> <i>£000</i>	<i>2012</i> <i>£000</i>
Trade creditors	3,091	2,604
Amount owed to fellow group undertakings	73,753	77,058
Other creditors and accruals	9,705	8,841
Corporation tax	1,794	1,691
Other taxes and social security	5,213	5,377
	<u>93,556</u>	<u>95,571</u>

11. PROVISIONS FOR LIABILITIES

	<i>Deferred Taxation £000</i>
At 1 January 2013	4,221
Amounts utilised	(781)
At 31 December 2013	<u>3,440</u>

The deferred tax provided at 20% (2012 – 23%) is as follows:

	<i>2013</i> <i>£000</i>	<i>2012</i> <i>£000</i>
Accelerated capital allowances	<u>3,440</u>	<u>4,221</u>

No provision has been made for deferred tax on the sale of assets where potentially taxable gains have been rolled over into replacement assets. Such tax would become payable only if the replacement assets were sold without it being possible to claim rollover relief. The total amount unprovided for is £4,043,000 (2012 – £4,503,000).

The main rate of corporation tax will be reduced to 21% from 1 April 2014 and to 20% from 1 April 2015. The effect on the company of the further proposed reductions in the UK main rate of corporation tax is reflected in these financial statements and deferred tax is provided at 20%.

12. PENSIONS

The group operates a defined contribution pension scheme for certain directors and employees and in addition has made available to all employees a stakeholder defined contributions scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

13. SHARE CAPITAL

	<i>2013</i> <i>£000</i>	<i>2012</i> <i>£000</i>
Authorised, allotted, issued, called up and fully paid: 50,000,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Bourne Holidays Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2013

14. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total Shareholders' Funds £000</i>
At 1 January 2012	50,000	4,309	54,309
Profit for the year	–	6,440	6,440
Dividends	–	(4,300)	(4,300)
At 31 December 2012	50,000	6,449	56,449
Profit for the year	–	6,948	6,948
Dividends	–	(6,400)	(6,400)
At 31 December 2013	50,000	6,997	56,997

15. CAPITAL COMMITMENTS

	<i>2013 £000</i>	<i>2012 £000</i>
Amounts contracted but not incurred at year end	7,166	2,300

16. OTHER FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	<i>2013 £000</i>	<i>2012 £000</i>
Land and buildings: Leases expiring in more than 5 years	392	392

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Bourne Leisure Limited, a company incorporated in Great Britain.

The company's ultimate parent undertaking and controlling party is Bourne Leisure Holdings Limited, a company registered in England and Wales.

Copies of the group financial statements, which include this company, are available from 1 Park Lane, Hemel Hempstead, Hertfordshire, HP2 4YL.