

HPB FINANCE LIMITED

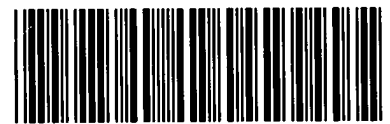
Report and Financial Statements

Year Ended

31 December 2022

Company Number 05379644

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29/06/2023

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COMPANIES HOUSE

Company information

Directors	G D Baber (Chairman) R G Boyce J C Boyce
Company secretary	G D Baber
Company number	05379644
Registered Office	HPB House 24-28 Station Road Newmarket Suffolk CB8 8EH
Auditor	RSM UK Audit LLP Blenheim House Newmarket Road Bury St Edmunds Suffolk IP33 3SB

HPB FINANCE LIMITED

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HPB FINANCE LIMITED

Report of the Directors for the year ended 31 December 2022

The Directors present their report together with the audited financial statements of the Company for the year to 31 December 2022.

Principal activities

The Company's principal activity during the year was the provision of finance for investment by individuals in the Holiday Property Bond. The Directors do not intend to provide any new financing arrangements for individuals from 2023 onwards.

Results

The results for the year showing on page 6 reflect a loss before tax of £8,868 (2021 - £7,270). Turnover amounted to £467 (2021 - £1,105) for the year.

Directors

The Directors of the Company who served during the year ended 31 December 2022 and up until the date of signing were:

G D Baber (Chairman)
R G Boyce
J C Boyce

Director's indemnity insurance

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

Auditors

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

Statement as to disclosure of information to 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 of which the Company's auditor is unaware. Additionally, the Directors individually 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 Company's auditor is aware of that information.

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

The Directors' report was approved by the Board and signed on its behalf by:


J C Boyce
Director

HPB FINANCE LIMITED

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 profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records 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 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.

HPB FINANCE LIMITED

Independent auditors' report to the member of HPB Finance Limited

Opinion

We have audited the financial statements of HPB Finance Limited (the 'Company') for the year ended 31 December 2022 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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Independent auditors' report to the member of HPB Finance Limited (continued)

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluation of computations provided by external tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business.

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Independent auditors' report to the member of HPB Finance Limited (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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.

Claire Sutherland

CLAIRE SUTHERLAND (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB

12 June 2023

HPB FINANCE LIMITED**Profit and loss account for the year ended 31 December 2022**

	Note	2022 £	2021 £
Turnover	2	467	1,105
Administrative expenses		(9,335)	(8,375)
Operating loss		(8,868)	(7,270)
Loss before tax		(8,868)	(7,270)
Tax on loss	3	1,736	1,197
Loss after tax and total comprehensive income for the financial year		(7,132)	(6,073)

All amounts relate to continuing activities.

The notes on pages 9 to 13 form part of these financial statements.

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Balance sheet at 31 December 2022

Company Number 05379644

	Note	2022 £	2021 £
Current assets			
Debtors due within one year		5,844	13,113
Debtors due after one year		-	4,428
Total debtors	4	5,844	17,541
Cash at bank and in hand		14,600	18,878
		20,444	36,419
Current liabilities			
Creditors: amounts falling due within one year	5	(167,642)	(176,485)
Net liabilities		(147,198)	(140,066)
Capital and reserves			
Called up share capital	6	2	2
Profit and loss account		(147,200)	(140,068)
Total equity		(147,198)	(140,066)

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

The financial statements on pages 6 to 13 were approved by the Board and authorised for issue on 8th June 2023 and are signed on its behalf by



J C Boyce
Director

The notes on pages 9 to 13 form part of these financial statements.

HPB FINANCE LIMITED**Statement of changes in equity for the year ended 31 December 2022**

	Note	Share capital £	Profit and loss account £	Total £
Balance at 1 January 2021		2	(133,995)	(133,993)
Loss and total comprehensive expense for the year		-	(6,073)	(6,073)
Balance at 31 December 2021		2	(140,068)	(140,066)
Loss and total comprehensive expense for the year		-	(7,132)	(7,132)
Balance at 31 December 2022		2	(147,200)	(147,198)

HPB FINANCE LIMITED

Accounting policies for the year ended 31 December 2022

General information

HPB Finance Limited ("the Company") is a private company limited by shares incorporated in England and Wales. The address of the registered office and the Company's registered number are given on the company information page. The nature of the Company's operations and its principal activities are set out in the Directors Report on page 1.

Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The Company financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The going concern basis of accounting is considered to be appropriate for the Company as there are no material uncertainties in existence. The Company has performed financial modelling for the period to 31 December 2024 and no issues were identified that would give rise to a going concern risk. It should be noted that the Directors do not intend to provide any new financing arrangements for individuals from 2023 onwards. To support the going concern basis, fellow group company, HPB Management Limited, has undertaken to provide any financial support needed in order to ensure that the Company continues trading for the 12 months after approved of the financial statements. The Directors have evaluated the ability of HPB Management Limited to provide this support for in the context of the group structure and activities of fellow subsidiaries and have not identified any material uncertainties in this regard. Accordingly, the financial statements have been prepared on a going concern basis.

Turnover

Turnover is recognised at the fair value of interest receivable on loans to customers recognised on an effective interest rate basis.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Loans and receivables

Loans to customers that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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

HPB FINANCE LIMITED

Accounting policies for the year ended 31 December 2022 (Continued)

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price, including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Equity Instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or subsequently enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing difference and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

HPB FINANCE LIMITED

Accounting policies for the year ended 31 December 2022 (Continued)

Deferred tax (continued)

Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

HPB FINANCE LIMITED

Notes forming part of the financial statements for the year ended 31 December 2022

1 Employees

The 3 (2021 – 3) Directors, who are considered to be the key management personnel, were the only employees of the Company during the year and the previous period and received no remuneration.

2 Interest receivable and similar income

	2022 £	2021 £
Interest receivable from customers (representing turnover)	467	1,105

3 Taxation

	2022 £	2021 £
<i>Current taxation</i>		
UK corporation tax on loss for the year	(1,736)	(1,197)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before tax	(8,868)	(7,270)
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021 – 19.00%)	(1,685)	(1,381)
Effects of:		
Group relief for no consideration	-	247
Deferred tax not recognised	(51)	(63)
Total tax credit for the year	(1,736)	(1,197)

4 Debtors

	2022 £	2021 £
<i>Falling due within one year:</i>		
Amount owed by Group undertakings	1,736	3,350
Loans to customers	3,795	9,483
Other debtors	11	44
Prepayments and accrued income	302	236
	5,844	13,113
<i>Falling due after one year:</i>		
Loans to customers	-	4,428
	5,844	17,541

HPB FINANCE LIMITED

Notes forming part of the financial statements for the year ended 31 December 2022 (Continued)

5 Creditors: amounts falling due within one year

	2022 £	2021 £
Amount owed to Group undertakings	160,051	170,051
Accruals and deferred income	7,591	6,434
	<u>167,642</u>	<u>176,485</u>

6 Share capital

	Authorised		Allotted, called up and fully paid	
	2022 Number	2021 Number	2022 £	2021 £
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>2</u>	<u>2</u>

7 Parent company

The ultimate parent company is Quality Holidays Assured Limited, a company incorporated in the Isle of Man, which is also the parent of the largest and smallest groups for which consolidated financial statements are drawn up and of which the Company is a member.

The Company's immediate parent undertaking is HPB Holdings Limited, a company incorporated in the Isle of Man.

The address of the ultimate parent's registered office is:

Bank Chambers
15-19, Athol Street
Douglas
Isle of Man
IM1 1LB