The Advantage Travel Partnership

Report and Accounts

01 October 2015 to 30 September 2016

Engage. Create. Deliver.

Contents

Directors & Board Members

Julia Lo Bue-Said
Managing Director

Steven Esom
Non-Executive Chairman

Nick Moser
Finance Director

Paula Lacey
Group Commercial Director

James Beagrie
Non-Executive Director

Tim Brookes-Parry
Non-Executive Director

Christian Gleave
Non-Executive Director

Nick Marks
Non-Executive Director

Jimmy Martin
Non-Executive Director

Jackie Steadman
Non-Executive Director

Jeanne Lalley
Non-Executive Director

Chairman's Report

Dear member partners,

Our industry faces many changes and challenges, both from within our industry and externally as we feel the effects of global events. Over the last three years Advantage has been working hard to anticipate and prepare as much as we can to ensure that the products and services we provide are focused on our members' needs.

As I mentioned in my last report, Advantage has increased the pace of change and, importantly, investment. In the last year, we have expanded AMS, our managed service platform, and launched Advantage Holidays – an opportunity to provide a competitive option for customers. Significantly, at the beginning of this year, we acquired the majority of shares in WIN, one of the leading corporate hotel programmes and global networks. With this, we have secured an exciting business, which will provide the group with unique content as we develop our plans over the next few years.

The strong financial results demonstrate the health of Advantage and the capability we have to continue to drive benefits for our membership. As a result, our dividend recommendation has been substantially increased year-on-year to reflect our confidence in the organisation.

"The strong financial results demonstrate the health of Advantage and the capability we have to continue to drive benefits for our membership."

Advantage continues to cement its position as the UK's largest independent travel agents group, wholly owned by its members; we remain the only organisation of our size in private ownership, with the future direction and destiny of Advantage being in the hands of its members.

We continue to reinforce our standing in the industry, tackling some hard issues on behalf of our members.

With a combined group turnover in excess of £3.5 billion, we have been able to negotiate arguably the best commercial terms in the industry.

We are fortunate to have a first-class team at Provost Street under the leadership of our Managing Director, Julia Lo Bue-Said, who, with her senior team, has enabled Advantage to drive innovation. With some key appointments last year, we are extremely well placed to tackle the challenges that technology, regulation or Brexit may pass our way. Throughout the central team, we have a team of highly experienced, dedicated travel professionals who will continue to strive on behalf of our members to ensure Advantage remains focused on working with you for success.

It remains an honour for me to serve as the Non-Executive Chairman of Advantage Travel Partnership and to be part of an organisation that continues to lead the industry and to set itself both exciting and ambitious goals for the future.

I look forward to seeing you at our AGM on 11 July at the Park Plaza Hotel, London, followed by Afternoon Tea. A copy of the invitation is below, if you haven't seen it already.

Steven Esom

Non-Executive Chairman

The Advantage Travel Partnership

Engage. Create. Deliver.

Dear Danielle,

On behalf of the Board of Directors, I would like to personally invite you to attend the company's AGM on Tuesday 11 July 2017. The meeting will be followed by an afternoon tea, where you will have the opportunity to meet and network with the central Advantage team.

We would really like as many members as possible to join us for what will be an informative and enjoyable afternoon.

We have chosen **Park Plaza, Westminster** as the **Agent Achievement Awards** are taking place there that evening and we know a lot of you will be planning to attend.

The AGM will start at 1.30pm and the tea will follow from 2-4pm.

To book your place (limited to one person per company) please email your name to events@advantagetravelpartnership.com and let us know of any dietary requirements.

Hope to see you there.

Kind regards,

Julia Lo Bue-Said
Managing Director

Managing Director's Report

I and other members of the senior team at Advantage have realised that the success of any business plan starts with a vision – a guiding goal that determines direction, approach and behaviour.

Our Vision for Advantage

- We are the foremost independent travel partnership organisation in the UK travel industry.
- We provide the highest level of improved profitability to our member partners.
- We achieve this through individual engagement with each member partner, offering them tailor-made products and services with clear ways to measure success.
- This vision will be achieved through the delivery of key initiatives implemented in a methodical, focused and relentless manner, by a team of bright, enthusiastic and engaging people at our central office.

As an organisation, we are:

- The UK's largest independent travel agent group; the leisure and business travel agents who are part of the group are each independently owned, but collectively they produce over £3.5 billion of travel sales each year, making us experts in every aspect of the travel industry.
- The only membership business that believes the creation of the membership benefits package is simply the start of the process and that active engagement is the only way to ensure business growth and profitability.
- Committed to a set of cultural values, which are: Engage, Create, Deliver, Caring and Transparency.

In making the vision a reality, we adopt a very particular approach to ensure success in that:

- We initially Engage with our member partners, often face to face.
- We identify their needs and devise Creative solutions.
- We Deliver on what we promise, given that actions always speak louder than words.

- Our members are at the heart of everything we do. We have no conflict of interest with our members – they own the business. We Care.

- We are Transparent. Profits made are reinvested in activity for the benefit of all. There is a balance of power at board level with our Non-Executive Chairman leading the Board, as well as member elected directors.

As an organisation, Advantage is proud of the way in which the business has developed over recent years, but we are never content to stand still and will always strive to seek improvement.

Advantage has set itself the ambitious goal of being considered a world-class organisation, not content with being the best in the independent sector of the UK travel industry alone.

Key Success Factors

In order to turn that vision into a reality, we recognise that there are a number of key drivers that determine success, which are:

- To continue to grow the membership, principally attracting new agents who enhance the reputation and value of the organisation across all member disciplines.

- All members receive a quantifiable and consistent benefit from the centre as illustrated on the annual benefits statement.

- Our commercial benefits package is the strongest in the industry, offering a better overall margin than our competitors.

- Our industry-leading networking opportunities continue to provide overall value to our members and partners.

- Our marketing services deliver a direct mechanism for retaining and acquiring new customers.

- Advantage Holidays drives incremental sales for our members, delivering ATOL-protected holidays with the ability to offer customers a competitive product.

Influencing Factors

We continue to focus our effort around a number of Centres of Excellence, which will ensure that both our short and long-term goals are achieved.

These Centres of Excellence are:

- Membership Business Development – Membership business health and prosperity.
- Advantage Managed Services (AMS) – Driving membership growth.
- Advantage Holidays – Access to ATOL-protected holidays.
- Marketing and Communications – Retaining current and attracting new customers.
- Leisure Commercial & Gateway2 – Leading commercial opportunities and booking technology.
- Technology – technology solutions that increase member efficiency and effectiveness.
- Business Travel – Creating value for business travel members.
- Advantage Financial Services (AFS) – Protecting member partners as they trade.

Taking each Centre of Excellence in turn, the notable achievements for the year, consistent with the Vision for each Centre, are outlined on the following pages.

Membership Development

5-Year Vision: To provide members with a high-calibre, inspirational consultancy service to help generate increased sales, profitability and business efficiencies.

As member engagement is a key value of the organisation, during the year we have achieved the following:

- The average value of the member benefit statement is £29k.
- Business consultancy/training activity undertaken with 67 businesses, reaching 341 staff.
- 17 Advantage solus business travel product training workshops with 170 member attendees.
- The first Advantage Business Travel Symposium event took place with 130 delegates attending.
- Over 1,000 Focus consultants have logged into the Focus Extranet in the last 12 months.
- We have organised 20 member events including conference and dinners attended by 1,600 delegates.

Advantage Managed Services

5-Year Vision: To become the leading managed services provider with the growth of AMS putting Advantage in a position to truly direct member partner sales, which in turn will ensure that our commercial contracts are as strong as they can possibly be. It is also a vehicle that will allow us to retain member businesses within the group.

During the year, we made the following advances with AMS:

- Eight new AMS members joined the scheme.
- We had our first Advantage member transfer from the standard membership model to AMS.
- All AMS procedures were thoroughly reviewed and independently verified to the point where the scheme is considered one of the most robust in the industry.
- We launched a corporate version of the AMS scheme.
- Advantage Managed Services (AMS) turnover of £44m (46% increase year over year).

Marketing & Communications

5-Year Vision: We are determined to lead the industry in multichannel marketing, connecting the customer journey with data-driven relationship marketing and leading digital and traditional media to dovetail with Advantage products. Members are then able to attract clients who otherwise may not have considered using a travel agent or TMC.

In the year, the central marketing team achieved the following:

- 54 members now participating in direct marketing programme.
- Bespoke door drop campaign booklets delivered to 1.2m households, generating £3.5m new customer sales.
- Direct marketing activity making 280,000 individual member customer contacts, generating 10,400 bookings worth £31.2m.
- New Insight magazine specifically for business travel agents introduced in September 2016, going to 950 front line members each month.

Leisure Commercial & Gateway2

5-Year Vision: To provide industry-leading commercial opportunities and innovation via technology across the booking journey, including a wide range of exclusive, competitively sourced products to optimise profitability.

We know, as a consequence of regularly consulting with our members, that the strength of our commercial terms is one of the key requirements of their membership. In the year we continued to improve our commercial advantage in both our relationships with preferred business partners and the development of Advantage Travel Gateway2 and Advantage Holidays with:

- Best-in-class commercial terms that enabled our competitive lead to increase to 1.13% (from 1.11%).
- 1.08% competitor commissions differential achieved.
- Incremental member earnings increased by 24% to £560k.
- Cruise tactical offers increased by 31% over previous year.

Technology

5-Year Vision: To provide market-leading technology solutions to members in order to effectively communicate and provide them with the technology they need in order to trade efficiently, competitively and effectively.

Our technology solutions are critical in driving the increased business efficiency of members. Key achievements in the year were:

- Advantage Travel Gateway sales of £4.7m – an increase of 4% over previous year.
- Advantage Holidays, a purpose-built ATOL solution for Advantage members launched in August.
- New Customer Relationship Management (CRM) system introduced to improve the overall level of engagement between the Advantage central team and members.

Business Travel

5-Year Vision: Industry-leading commercial opportunities and innovation via technology across the booking journey, including an air strategy to run across four member categories – Corporate Premium, Corporate Plus, Focus Partnership and AMS.

Advantage is at the forefront of the independent business travel sector of the market and our key advances in the year have included:

- The launch of an AMS scheme for business travel members.
- Our inaugural Business Travel Symposium, attended by 138 delegates.
- 28,000 hotels are now in the Advantage corporate hotel programme.
- 52 members from 41 companies participating in MICE Masters initiative.
- 15 fares & ticketing and business skills courses available via the training academy.

As a key part of our corporate strategy, we have continued to build our Ticketing desk and air product support for members:

- Advantage central IATA BSP £1,162,203.
- An increase in member companies utilising the fares helpdesk.
- 11 airline commercial contracts and 25 nett fare agreements managed on behalf of non-focus members.
- 36 airline commercials contracts managed on behalf of the Focus Partnership.

Advantage Financial Services

5-Year Vision: To extend our expertise and offer a broader range of travel industry-related commercial and personal insurance products.

Our key achievements in the year included:

- Underwriting agency continued to expand and launched products in Italy and Spain.
- Maintained travel bond market share in an increasingly competitive environment.
- Renewal rate of 92% on insurance and 86% on bonding products.

In Summary

We are pleased with what we have achieved this year. However, our strategy will only be realised with:

- A relentless focus on key initiatives executed extremely well.
- The creation of a critical mass of supportive members driving business performance.
- The tailoring of our products and services to the individual needs of our members.
- A continued recognition of our core strengths and a ruthless exploitation of them.
- Seamless and multichannelled communication with our members in order that every member clearly understands the services available and how to extract the maximum value from them.

In addition, we will continue our investment in technology in the new financial year. Advantage Holidays, as the vehicle to distribute content and offers directly to our members, will gather pace.

We are looking closely at NDC to also understand future requirements of our members, alongside macro external factors, which continue to shape our strategy.

The Advantage Travel Partnership is the UK's largest independent travel group and we have no intention of relinquishing that position over the next five years.

Julia Lo Bue-Said, Managing Director

Company Registration No. 04698963

Advantage Travel Centres Limited

Annual report and financial statements

For the year ended 30 September 2016

Advantage Travel Centres Limited

Contents

Advantage Travel Centres Limited
Company information

Directors

J A Beagrie
T D Brookes-Parry
J Lo Bue-Said
S Esom
C D D Gleave
P Lacey
J Lally
J Martin
N F Marks
N G Moser
J Steadman

Secretary
R M V Jones

Registered Office
15-21 Provost Street
London
N1 7NH

Registered number
04698963 (England and Wales)

Auditor
Deloitte LLP
Chartered Accountants and Statutory Auditor
London
UK

Group strategic report

The directors present their strategic report for the Company and the Group for the year ended 30 September 2016.

Review of business and principal activity

The Group is a member owned, business to business travel partnership, providing a diverse range of products and services to independent travel agents throughout the UK that support their business activities.

The Group's key activities are based on four central pillars as follows:

• **Membership** - providing a suite of membership services including business consultancy; franchise managed services; training and meeting and conference services; and financial protection products

• **Commercial** - negotiating a broad range of commercial deals for the benefit of members and to support Group funding

• **Marketing** - providing opportunities for travel agents to communicate with new and existing customers through a portfolio of marketing products and services

• **Technology** - developing and operating technology solutions that increase travel agent efficiency and effectiveness

Results and performance

The Group performed strongly in 2016 reporting a net profit before tax result for the year of £675,835 (2015: £584,721) and consolidated net assets at year end of £6,231,511 (2015: £5,621,121)

Retained turnover across most categories was largely in line with prior year though there was some growth in incentives and marketing support fees which, together with an improved underwriting insurance cost claims result, helped offset an increase in expensed IT development costs and Administrative expenses to ensure that the operating profit result of £297,911 (2015: £284,202) was in line with the prior year.

A £74,857 increase in the profit contribution from the joint venture interest was largely responsible for the overall net profit before tax improving £91,114 (16%) over the prior year.

The directors are satisfied with the results for the year.

During the year the Group invested heavily in software development and in Q4 launched Gateway2, its next generation booking platform through which members can book hotels (via bed banks), flights and ancillaries and a new fully bonded solution - Advantage Holidays, which (via the Gateway2 platform) enables members to search, book and deliver fully-bonded holidays to their customers, under the central Advantage ATOL.

The Group's managed services activities (AMS) grew significantly in 2016. Gross revenues managed increased to £44.2m, from £30.3m in 2015, and 11 new member branches joined the scheme during the year.

Future developments
The Group is further committed to invest heavily in the Gateway2 and Advantage Holidays solutions over the next 3 years and to focus on substantially growing the AMS activities.

On 10th March 2017 the Company increased its shareholding in Worldwide Independent Travel Network (WIN) Ltd. WIN provides corporate, lifestyle and MICE (Meetings, Incentives, Conferences and Events) hotel programmes, and an extensive global network programme across 70 countries. The investment in WIN supports the Group's drive to invest in unique opportunites by providing growth potential for members who will be given exclusive products to create strong content and deals for clients.

Principal risks and uncertainties

The directors consider that the main business risks and uncertainties of the Group, which largely remain unchanged, are:

- the long term wealth and health of the membership including succession planning and exit strategies
- regulatory compliance and uncertainties to changes in regulatory policies
- loss of commercial deals
- continued access to competitively priced product supply
- uncertainty of impact of Brexit on the membership

The directors regularly review the risks facing the Group and seek to exploit, avoid or mitigate these risks as appropriate.

Key Performance Indicators

The board monitors progress of the Group by reference to the following KPI's:

	2016	2015
AMS Gross Revenues (incl pass through revenues)	£44,181,694	£30,250,550
Advantage Travel Gateway (Sales)	£4,700,000	£4,500,000
Advantage Financial Services % of bond renewals	88%	85%
Average member benefit statement value	£28,600	£27,600

Approved by the Board of Directors
and signed on behalf of the Board

J Lo Bue-Said
Director

The directors present their report with the financial statements of the Company for the year ended 30 September 2016.

Dividends

The directors recommend a final dividend of £5 (2015: £2) per Ordinary Share.

Directors

The directors shown below have held office during the whole of the period from 1 October 2015 to the date of this report.

J A Beagrie
T D Brookes-Parry
J Lo Bue-Said
S Esom
C D D Gleave
J Lally
J Martin
N F Marks
J Steadman

Other changes in directors holding office are as follows:
N Mansell – resigned 25 November 2015
N Moser – appointed 1 April 2016
K McLeod - resigned 31 August 2016
P Lacey - appointed 14 September 2016
C S O'Neill - resigned 28 February 2017

Going concern

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Financial risk management objectives and policies

The Group's principal financial instruments comprise bank balances, trade debtors and trade creditors. The purpose of these instruments is to raise funds and finance the Group's operations.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other debtors, and investments.

The Group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debtors. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Price Risk

The directors consider that the Group's exposure to changing market prices on the value of financial instruments does not have a significant impact on the carrying value of the financial assets and liabilities. The directors monitor interest rates on a regular basis.

Liquidity risk

The Group's treasury function manages its cash requirements to maximise interest income whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business. Investment of cash surpluses is made through banks that are approved by the Board of Directors. All major investment decisions are considered by the directors as part of the project appraisal process.

Statement as to disclosure of information to Auditor

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board
J Lo Bue-Said
Director

Directors' responsibilities statement

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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- 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 Group's transactions and disclose with reasonable accuracy at any time the financial position of 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's report to the members of Advantage Travel Centres Limited

We have audited the financial statements of Advantage Travel Centres Limited for the year ended 30 September 2016 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes 1 to 26. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor

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

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 Group's and the parent 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

• give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 September 2016 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.

Independent auditor's report to the members of Advantage Travel Centres Limited (continued)

Opinion on other matters 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 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.

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK

22 March 2017

Advantage Travel Centres Limited

Consolidated profit and loss account
For the year ended 30 September 2016

	Notes	2016	2015
		£	£
Turnover			
Group and share of joint venture		18,676,583	15,675,818
Less:			
Share of joint venture turnover		(442,690)	(401,586)
Group turnover	2	18,233,893	15,274,232
Cost of sales		(14,378,336)	(11,650,354)
Gross profit		3,855,557	3,623,878
Administrative expenses		(3,597,646)	(3,349,676)
		257,911	274,202
Other operating income		40,000	10,000
Operating profit		297,911	284,202
Income from joint venture		255,436	180,579
Dividend from participating interest		28,636	7,373
Interest income		102,092	122,612
		684,075	594,766
Interest expense	6,18	(8,240)	(10,045)
Profit before taxation	3	675,835	584,721
Tax on profit	7	(74,903)	(89,442)
Profit after taxation		600,932	495,279

Continuing operations

None of the Group's activities were acquired or discontinued during the current year or previous year.

Advantage Travel Centres Limited

Consolidated statement of comprehensive income
For the year ended 30 September 2016

	2016	2015
	£	£
Profit for the financial year	600,932	495,279
Gain arising on revaluation of tangible fixed assets	-	1,225,000
Tax on revaluation of tangible fixed assets	48,075	(242,344)
Other comprehensive income	48,075	982,656
Total comprehensive income	649,007	1,477,935
Profit for the year attributable to:		
Non-controlling interest	1,200	1,200
Equity shareholders of the Company	599,732	494,079
	600,932	495,279
Total comprehensive income for the year attributable to:		
Non-controlling interest	1,200	1,200
Equity shareholders of the Company	647,807	1,476,735
	649,007	1,477,935

Advantage Travel Centres Limited (Registered number: 04698963)

Consolidated balance sheet
30 September 2016

	Notes	2016	2015
		£	£
Fixed assets			
Intangible assets	10	120,197	134,177
Tangible assets	11	3,239,596	3,248,168
Investments	12	136,866	74,712
Total fixed assets		3,496,659	3,457,057
Current assets			
Debtors	13	2,230,955	866,582
Cash at bank and in hand		19,772,612	21,141,067
		22,003,567	22,007,649
Creditors			
Amounts falling due within one year	14	(18,763,211)	(19,213,587)
Net current assets		3,240,356	2,794,062
Total assets less current liabilities		6,737,015	6,251,119
Creditors			
Amounts falling due after more than one year	15	(250,971)	(323,358)
Provisions for liabilities	17	(254,533)	(306,640)
Net assets		6,231,511	5,621,121
Capital and reserves			
Called up share capital	20	24,750	24,505
Share premium		959,674	951,286
Revaluation reserve		1,616,803	1,568,728
Capital redemption reserve		6,575	6,575
Profit and loss account		3,602,509	3,048,827
Shareholders' funds		6,210,311	5,599,921
Non-controlling interest	19	21,200	21,200
Total capital employed		6,231,511	5,621,121

The financial statements were approved by the Board of Directors on 22 March 2017 and were signed on its behalf by:

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J Lo Bue-Said - Director

Advantage Travel Centres Limited (Registered Number: 04698963)

Company balance sheet
30 September 2016

	Notes	2016	2015
		£	£
Fixed assets			
Intangible assets	10	120,197	134,177
Tangible assets	11	3,239,596	3,248,168
Investments	12	403,815	415,161
		3,763,608	3,797,506
Current assets			
Debtors	13	2,254,105	927,032
Cash at bank and in hand		14,845,665	16,644,534
		17,099,770	17,571,566
Creditors			
Amounts falling due within one year	14	(16,366,403)	(16,859,794)
Net current assets		733,367	711,772
Total assets less current liabilities		4,496,975	4,509,278
Creditors			
Amounts falling due after more than one year	15	(250,971)	(323,358)
Provisions for liabilities	17	(254,533)	(304,269)
Net assets		3,991,471	3,881,651
Capital and reserves			
Called up share capital	20	24,750	24,505
Share premium		959,222	950,834
Revaluation reserve		1,616,803	1,568,728
Capital redemption reserve		6,575	6,575
Profit and loss account		1,384,121	1,331,009
Shareholders' funds		3,991,471	3,881,651

The financial statements were approved by the Board of Directors on 22 March 2017 and were signed on its behalf by:

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J Lo Bue-Said - Director

Consolidated statement of changes in equity
30 September 2016

	Called up share capital	Share premium account	Revaluation reserve	Capital Redemption Reserve	Profit and loss account	Total (before non-controlling interest)	Non-controlling interest	Total
	£	£	£	£	£	£	£	£
At 30 September 2014 as previously stated	49,785	943,442	622,132	6,575	2,698,501	4,320,435	21,200	4,341,635
Changes on transition to FRS 102 (see note 25)	-	-	(36,060)	-	(32,603)	(68,663)	-	(68,663)
At 1 October 2014 as restated	49,785	943,442	586,072	6,575	2,665,898	4,251,772	21,200	4,272,972
Profit for the financial year	-	-	-	-	494,079	494,079	1,200	495,279
Gain on revaluation of property	-	-	1,225,000	-	-	1,225,000	-	1,225,000
Deferred tax on gain on revaluation of property	-	-	(242,344)	-	-	(242,344)	-	(242,344)
Total comprehensive income	-	-	982,656	-	494,079	1,476,735	1,200	1,477,935
Issue of share capital	100	7,844	-	-	-	7,944	-	7,944
Purchase of own shares	(25,380)	-	-	-	(53,325)	(78,705)	-	(78,705)
Dividend paid on equity shares	-	-	-	-	(57,825)	(57,825)	-	(57,825)
Dividend paid to non-group shareholders	-	-	-	-	-	-	(1,200)	(1,200)
At 30 September 2015	24,505	951,286	1,568,728	6,575	3,048,827	5,599,921	21,200	5,621,121
Profit for the financial year	-	-	-	-	599,732	599,732	1,200	600,932
Deferred tax adjustments on prior year gains on revaluation of property	-	-	48,075	-	-	48,075	-	48,075
Total comprehensive income	-	-	48,075	-	599,732	647,807	1,200	649,007
Issue of share capital	245	8,388	-	-	-	8,633	-	8,633
Dividend paid on equity shares	-	-	-	-	(46,050)	(46,050)	-	(46,050)
Dividend paid to non-group shareholders	-	-	-	-	-	-	(1,200)	(1,200)
At 30 September 2016	24,750	959,674	1,616,803	6,575	3,602,509	6,210,311	21,200	6,231,511

Company statement of changes in equity
30 September 2016

	Called up share capital	Share premium account	Revaluation reserve	Capital Redemption Reserve	Profit and loss account	Total
	£	£	£	£	£	£
At 30 September 2014 as previously stated	49,785	942,990	622,132	6,575	1,251,783	2,873,265
Changes on transition to FRS 102 (see note 25)	-	-	(36,060)	-	(29,958)	(66,018)
At 1 October 2014 as restated	49,785	942,990	586,072	6,575	1,221,825	2,807,247
Profit for the financial year	-	-	-	-	220,334	220,334
Gain on revaluation of property	-	-	1,225,000	-	-	1,225,000
Deferred tax on gain on revaluation of property	-	-	(242,344)	-	-	(242,344)
Total comprehensive income	-	-	982,656	-	220,334	1,202,990
Issue of share capital	100	7,844	-	-	-	7,944
Purchase of own shares	(25,380)	-	-	-	(53,325)	(78,705)
Dividend paid on equity shares	-	-	-	-	(57,825)	(57,825)
At 30 September 2015	24,505	950,834	1,568,728	6,575	1,331,009	3,881,651
Profit for the financial year	-	-	-	-	99,162	99,162
Deferred tax adjustments on prior year gains on revaluation of property	-	-	48,075	-	-	48,075
Total comprehensive income	-	-	48,075	-	99,162	147,237
Issue of share capital	245	8,388	-	-	-	8,633
Dividend paid on equity shares	-	-	-	-	(46,050)	(46,050)
At 30 September 2016	24,750	959,222	1,616,803	6,575	1,384,121	3,991,471

Advantage Travel Centres Limited

Consolidated cashflow statement
30 September 2016

	Notes	2016	2015
		£	£
Net cash flows from operating activities	22	(1,490,863)	2,602,153
Cash flows from investing activities			
Purchase of equipment		(10,653)	(4,470)
Purchase of intangibles		(22,622)	(136,732)
Interest received		102,092	122,612
Dividend received from joint venture		150,000	225,000
Dividend received from participating interest		28,636	7,373
Net cash flows from investing activities		247,453	213,783
Cash flows from financing activities			
Dividend paid		(46,050)	(57,825)
Dividend paid to non-controlling interest		(1,200)	(1,200)
Repayment of borrowings		(78,188)	(76,383)
Interest on borrowings		(8,240)	(10,045)
Proceeds on issue of shares		8,633	7,944
Share buy back		-	(78,705)
Net cash flows from financing activities		(125,045)	(216,214)
Net (decrease)/ increase in cash		(1,368,455)	2,599,722
Cash at beginning of year		21,141,067	18,541,345
Cash at end of year		19,772,612	21,141,067

Notes to the financial statements
For the year ended 30 September 2016

1. Accounting policies

The principal accounting policies are summarised below.They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

Advantage Travel Centres Limited is a company incorporated in the United Kingdom. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 2 and 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information, see note 25.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 30 September each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

The Company has taken advantage of exemption s408 in the Companies Act 2006 from presenting its own profit and loss account.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Accounting convention

The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Group to continue as a going concern.

1. **Accounting policies (continued)**

Turnover

Turnover consists of subscriptions and fees from members, sales incentive and marketing support fees from travel operators, sales commissions earned by managed services (AMS) members and distributed to them; sales made by the Group acting as principal, insurance premiums and commissions and income from conferences, events and regional meetings.

Turnover represents net invoiced sales of services, excluding value added tax and adjusted for accrued revenue calculated by reference to the fair value of services performed up to the balance sheet date but not invoiced. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors falling due within one year.

Revenue Recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue in respect of principal sales is recognised on the date of departure.

Insurance Premiums claims and commissions

Gross premiums and commissions are accounted for in the year in which the risk commences. Any proportion of the premiums and commissions which relate to periods of risk extending beyond the year end are carried forward as deferred income.

Insurance claims are fully provided when notification from ABTA/IATA is received.

Intangible assets

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2013, is being amortised evenly over its estimated useful life of five years

Software

Computer software is stated at cost less accumulated amortisation. Software is amortised over its estimated useful life of between 3 and 5 years on a straight line basis

Software development expenditure is written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the Group is expected to benefit. This period is between 3 and 5 years. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write-off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

- Office equipment - 3 years
- Fixtures and Fittings - between 5 and 7 years
- Long leasehold - not depreciated

The leasehold property is revalued to fair value every three years with the surplus or deficit on book value (net of deferred tax) transferred to the revaluation reserve.

1. **Accounting policies (continued)**

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Pension costs and other post-retirement benefits

The Group operates a defined contribution pension scheme. Contributions payable to the Group's pension scheme are charged to the profit and loss account in the period to which they relate.

Hire purchase and leasing commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have been passed to the Company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease.

1. **Accounting policies (continued)**

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party of (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities including trade creditors and loans to subsidiary and associate entities, 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 receipts discounted at a market rate of interest.

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. Accounts 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an 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.

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 Group after deducting all of its liabilities.

1. Accounting policies (continued)

Financial instruments (continued)

Unlisted Investments

In the Company balance sheet, investments in subsidiaries are measured at cost less impairment.

In the Group balance sheet, the investment in unlisted equity instruments is measured at cost and not equity value in accordance with the Companies Act 2006.

In the Group's financial statements, investments in subsidiary undertakings, participating interests and joint ventures are stated at cost less impairment.

Interest in Joint Venture

The Group's interest in a joint venture is an undertaking in which the Group has a long-term interest and over which it exercises joint control. The Group's share of the profits less losses of the joint venture is included in investments in the consolidated balance sheet.

2. Turnover

The total turnover of the Group for the year has been derived from its principal activities wholly undertaken in the United Kingdom.

	2016	**2015**
	£	**£**
Travel services income	17,217,388	14,242,231
Financial and other income	1,016,505	1,032,001
	18,233,893	15,274,232

Gross profit recognised in the year ended 30 September 2016 does not include revenues, or costs, where the Group has acted as an agent. Pass through revenues in relation to AMS totalling £38,676,446 (2015: £26,168,450) were received by the Group but not recognised within turnover.

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting)

	2016 £	2015 £
Operating lease rentals	50,004	35,518
Depreciation of tangible fixed assets (note 11)	19,225	31,724
Amortisation of software intangible assets (note 10)	31,268	15,764
Amortisation of goodwill (note 10)	5,334	5,334
Auditors' remuneration	41,768	37,969
Auditors' remuneration for non-audit work	32,958	15,634
Software development expenses	213,321	-
Foreign exchange gain	(2,684)	(1,135)

4. Staff costs

	2016 £	2015 £
Wages and salaries	2,289,547	2,190,042
Social security costs	231,509	241,234
Other pension costs	94,247	92,171
	2,615,303	2,523,447

The average monthly number of employees during the year was as follows:

	2016 Number	2015 Number
Management	5	5
Other	51	50
	56	55

5. Directors' remuneration

	2016 £	2015 £
Directors' remuneration	560,845	571,999
Contributions to money purchase pension schemes	20,688	21,866
Sums paid to related parties in respect of director services	33,048	34,459
	614,581	628,324

The number of directors who are members of money purchase schemes:	5	5

Information regarding the highest paid Director is as follows:	2016 £	2015 £
Emoluments etc.	137,318	122,835
Contributions to money purchase pension schemes	6,000	5,500
	143,318	128,335

Details of transactions with directors during the year are disclosed in note 23.

6. Interest payable and similar charges

	2016 £	2015 £
Mortgage interest	8,240	10,045

7. Taxation

The tax charge comprises UK corporation tax allocated as follows:

	2016	2015
Current tax:	£	£
Tax on current year profit	58,924	54,611
Adjustments in respect of prior years	20,011	6,595
Total current tax	78,935	61,206
Deferred tax		
Origination and reversal of timing differences	(4,032)	28,236
Total deferred tax (see note 17)	(4,032)	28,236
Total tax on profit	74,903	89,442

The differences between the total charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2016	2015
Profit before tax	675,835	584,721
Tax on profit at standard UK corporation tax rate of 20% (2015: 20%)	135,167	116,944
Effects of:		
Expenses not deductible for tax purposes	2,937	2,533
Transitional adjustments on conversion to FRS102	(6,521)	-
Income not taxable for tax purposes	(60,173)	(56,166)
Adjustments to tax charge in respect of prior periods	20,011	6,595
Tax on income from joint venture	43,282	42,115
Difference in overseas tax	(59,800)	(22,579)
	74,903	89,442

Factors that may affect future tax charges

Pursuant to the Finance Act 2016 the main rate of UK corporation tax has been reduced to 19% with effect from 1 April 2017 and to 17% with effect from 1 April 2020. Existing timing differences on which deferred tax has been provided may therefore unwind in periods subject to these reduced rates.

8. Profit of parent Company

The net profit after tax for the financial year dealt with in the financial statements of the parent company was £99,162 (2015: £220,334). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent company

9. Dividends paid

	2016	2015
	£	£
Ordinary shares of £1 each - Final at £2.00 per share	46,050	57,825
Cumulative preference shares held by non-Group shareholders	1,200	1,200
	47,250	59,025

10. Intangible fixed assets

Group and Company	Software	Goodwill	Totals
Cost or valuation	£	£	£
At 1 October 2015	239,843	26,671	266,514
Additions	22,622	-	22,622
At 30 September 2016	262,465	26,671	289,136
Amortisation			
At 1 October 2015	117,668	14,669	132,337
Charge for year	31,268	5,334	36,602
At 30 September 2016	148,936	20,003	168,939
Net book value			
At 30 September 2016	113,529	6,668	120,197
At 30 September 2015	122,175	12,002	134,177

11. Tangible fixed assets

	Long leasehold £	Office equipment £	Fixtures and fittings £	Totals £
Group and Company				
Cost or valuation				
At 1 October 2015	3,175,000	94,405	430,544	3,699,949
Additions	-	1,594	9,059	10,653
Disposals	-	(6,731)	-	(6,731)
At 30 September 2016	3,175,000	89,268	439,603	3,703,871
Depreciation				
At 1 October 2015	-	93,527	358,254	451,781
Charge for year	-	1,690	17,535	19,225
Written back on disposals	-	(6,731)	-	(6,731)
At 30 September 2016	-	88,486	375,789	464,275
Net book value				
At 30 September 2016	3,175,000	782	63,814	3,239,596
At 30 September 2015	3,175,000	878	72,290	3,248,168

Group and Company

Cost or valuation at 30 September 2016 is represented by:	Long leasehold £	Office equipment £	Fixtures and fittings £	Totals £
Valuation in 2011	107,132	-	-	107,132
Valuation in 2014	515,000	-	-	515,000
Valuation in 2015	1,225,000	-	-	1,225,000
Cost	1,327,868	89,268	439,603	1,856,739
	3,175,000	89,268	439,603	3,703,871

If the long leaseholds had not been revalued they would have been included at the following historical cost:

	2016 £	2015 £
Cost	1,327,868	1,327,868

The long leaseholds were last valued on an open market basis on 29 September 2015 by Daniel Watney LLP.

12. Fixed asset investments

	Interest in joint venture	Unlisted investment	Total
	£	£	£
Group			
Cost			
At 1 October 2015	70,899	3,813	74,712
Share of profit after tax and dividend	62,154	-	62,154
At 30 September 2016	133,053	3,813	136,866
Net book value			
At 30 September 2016	133,053	3,813	136,866
At 30 September 2015	70,899	3,813	74,712

The Group's aggregate share in the joint venture with MGA Cover Services Ltd, an insurance underwriting agency incorporated in the UK, at the year end is as follows:

	2016	2015
	£	£
Turnover	442,690	401,586
Profit before tax	255,436	180,579
Taxation	(43,282)	(42,115)
Profit after tax	212,154	138,464
Dividend	(150,000)	(225,000)
Profit/(loss) after tax and dividend	62,154	(86,536)
Share of assets		
Fixed assets	9,464	4,935
Current assets	467,190	357,938
	476,654	362,873
Share of liabilities		
Liabilities due within one year	(343,601)	(291,974)
Share of net assets	133,053	70,899

Unlisted investment

The unlisted investment comprises the Company's 25% interest in the share capital of Worldwide Independent Travel Network (WIN) Ltd (WIN). In accordance with the Companies Act 2006 this investment is described as a participating interest because the Company does not have any significant influence in the commercial or financial policy decisions made by WIN and only has one member on the board of directors, out of a total of 5. No individual director holds any significant influence or possesses any weighted voting in their favour over any other director.

Due to the circumstances described, the investment in WIN is not regarded as an associated undertaking and is therefore included within the Group balance sheet at cost of £3,813 only and not equity value.

12. Fixed asset investments (continued)

	2016 % Holding	2015 % Holding
Worldwide Independent Travel Network (WIN) Ltd	25.00	25.00
Country of Incorporation: United Kingdom		
Nature of business: Travel related services		
Class of shares: Ordinary		

	2016 £	2015 £
Aggregate capital and reserves	981,181	312,467
Profit for the year	793,074	229,084

	Unlisted investments £
Company	
Cost	
At 1 October 2015	421,088
Additions	-
At 30 September 2016	421,088
Provisions for impairment	
At 1 October 2015	5,927
Provided during the year	11,346
At 30 September 2016	17,273
Net book value	
At 30 September 2016	403,815
At 30 September 2015	415,161

The Company's investments at the balance sheet date in the share capital of companies comprise the following:

	% Holding
Advantage4travel.com Limited	100.00
Nature of business: Dormant	
Class of shares: Ordinary	
National Association of Independent Travel Agents Limited	100.00
Nature of business: Dormant	
Nature of holding: Limited by guarantee	

12. Fixed asset investments (Continued)

	% Holding
The independents' Advantage Insurance Company Limited	100.00
Country of incorporation: Guernsey	
Nature of business: Insurance company	
Class of shares: Ordinary	
Advantage Financial Services Limited	
Nature of business: Insurance Brokers	100.00
Class of shares: Ordinary	
Advantage Flights Limited	100.00
Nature of business: Dormant	
Class of shares: Ordinary	
Advantage Travel Network Limited	100.00
Nature of business: Dormant	
Class of shares: Ordinary	
Advantage 4 Travel Limited	100.00
Nature of business: Packaging solutions for travel industry	
Class of shares: Ordinary	
Advantage Network Limited	100.00
Nature of business: Dormant	
Class of shares: Ordinary	

Advantage4travel.com Limited, National Association of Independent Travel Agents Limited, Advantage Flights Limited, Advantage Travel Network Limited and Advantage Network Limited are exempt from the requirement to prepare individual financial statements by virtue of S394A.

The registered office address for all subsidiary companies is 21 Provost Street, London N1 7NH

13. Debtors: Amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	1,219,445	389,869	1,102,467	293,044
Amounts owed by Group undertakings	-	-	158,263	160,144
Amounts owed by participating interest	425,851	55,522	425,851	55,522
Other debtors	297,992	304,707	297,992	304,707
Prepayments and accrued income	287,667	116,484	269,532	113,615
	2,230,955	866,582	2,254,105	927,032

14. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans and overdrafts (see note 15)	80,627	86,428	80,627	86,428
Trade creditors	2,143,411	1,945,169	213,758	76,246
Corporation tax	15,642	19,090	13,850	12,359
Social security and other taxes	77,995	88,743	73,443	83,019
VAT	159,537	122,959	160,555	123,214
Other creditors	1,348,939	890,922	1,078,204	569,333
Client balances	450,754	509,116	450,754	509,116
CAPS client monies held	13,357,820	14,856,147	13,357,820	14,856,147
Amounts owed to joint venture	109,064	92,133	-	-
Accruals and deferred income	1,019,422	602,880	937,392	543,932
	18,763,211	19,213,587	16,366,403	16,859,794

15. Creditors: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loan (secured)	250,971	323,358	250,971	323,358

The bank loan is secured by a first legal mortgage over Units 6 - 10 Britannia Walk, London, N1 7LU. This is the former name of the property at 21 Provost Street, London, N1 7NH.

An analysis of the maturity of the loan is given below:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts falling due within one year or on demand:				
Bank loans	80,627	86,428	80,627	86,428
Amounts falling due between one and two years:				
Bank loans: 1-2 years	82,252	86,428	82,252	86,428
Amounts falling due between two and five years:				
Bank loans: 2-5 years	168,719	236,930	168,719	236,930

The interest rate prevailing on the bank loan is The Bank of England Base Rate + 1.75% per annum. Interest is charged quarterly in arrears.

16. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016		2015	
	Land and buildings	Other	Land and buildings	Other
Group	£	£	£	£
Expiring:				
Within one year	12,000	42,681	12,000	31,778
Between one and five years	4,044	38,856	16,044	55,851
	16,044	81,537	28,044	87,629

	2016		2015	
	Land and buildings	Other	Land and buildings	Other
Company	£	£	£	£
Expiring:				
Within one year	12,000	41,288	12,000	27,505
Between one and five years	4,044	38,856	16,044	54,427
	16,044	80,144	28,044	81,932

17. Provisions for liabilities

Movement in the deferred tax liability account is as follows:

	£
Group	
At 1 October 2015	306,640
Credited to profit and loss	(4,032)
Credited to other comprehensive income	(48,075)
At 30 September 2016	254,533
Company	
At 1 October 2015	304,269
Credited to profit and loss	(1,661)
Credited to other comprehensive income	(48,075)
At 30 September 2016	254,533

Deferred tax is provided as follows:	**2016** £	**2015** £
Group		
Accelerated capital allowances	24,204	28,236
Revaluation gains on long leasehold property	230,329	278,404
	254,533	306,640
Company		
Accelerated capital allowances	24,204	25,865
Revaluation gains on long leasehold property	230,329	278,404
	254,533	304,269

18. Financial instruments

The carrying values of the Group's financial assets and liabilities are summarised by category below:	2016	2015
	£	£
Financial assets		
Measured at undiscounted amount receivable		
Trade and other debtors (see note 13)	1,219,445	389,869
Amounts owed by participating interest (see note 13)	425,851	55,522
Equity instruments measured at cost less impairment		
Fixed asset investments in unlisted equity instruments (see note 12)	3,813	3,813
Interest in joint venture (see note 12)	133,053	70,899
At 30 September	1,782,162	520,103
Financial liabilities		
Measured at amortised cost		
Loans payable (see note 15)	331,598	409,786
Measured at undiscounted amount payable		
Trade and other creditors (see note14)	2,143,411	1,945,169
Amount owed to joint venture (see note 14)	109,064	92,133
At 30 September	2,584,073	2,447,088

The Group's income and expense in respect of financial instruments are summarised below:	2016	2015
	£	£
Interest income and expense		
Total interest income for financial assets at amortised cost	102,092	122,612
Total interest expense for financial liabilities at amortised cost	(8,240)	(10,045)
At 30 September	93,852	112,567

19. Non-controlling interest

6% cumulative redeemable preference shares of £227,500 (2014: £227,500) are issued in The Independents' Advantage Insurance Company Limited. Of the total nominal value £20,000 relates to non-Group shareholders.

The 6% cumulative redeemable preference shares are redeemable, at the option of the Company only. In this case the directors are of the opinion that the shares are equity in nature.

Non-controlling interest movement in the year	Equity brought forward	Issued	Dividends	Amounts due to non-controlling interest
	£	£	£	£
6% Preference shares	20,000	-	1,200	21,200

20. Called up share capital and reserves

Allotted, issued and fully paid:

Number	Class	Nominal value	2016	2015
		£	£	£
22,935	Ordinary	1	22,935	23,105
1,815	Leaver	1	1,815	1,400
			24,750	24,505

The Company has the following share capital - Ordinary and Leaver. Ordinary share capital is issued to all members and has voting, dividend and asset rights upon a winding up. When a member ceases its shares are reclassified as Leaver. Leaver shares confer no rights in respect of voting or dividends.

As at the balance sheet date the Company has a contingent liability relating to the remaining leaver shareholders of £42,406 (2015: £31,993). The liability has not been provided as it requires shareholder's acceptance to create a liability.

Movement in share capital

Opening Balance	Issued	Redeemed	Transfer	Closing Balance
£	£	£	£	£
23,105	245	-	(415)	22,935
1,400	-	-	415	1,815
24,505	245	-	-	24,750

Reserves

The Group and Company's other reserves are as follows:

• the share premium reserve contains the premium arising on issue of equity shares.

• the profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

• the revaluation reserve represents the cumulative effect of revaluations of long leasehold land and buildings which are regularly revalued to fair value, net of deferred taxation.

• the capital redemption reserve is an account that was credited in prior years with the par value of certain shares that were redeemed where the redemption was not paid for out of share capital.

21. Pension Commitments

Pension costs included in the financial statements were made to a money purchase defined contribution scheme administered and managed by a recognised pension provider in respect of directors and employees. The amount charged in the financial statements was £94,247 (2015: £92,171). No amounts were either accrued or prepaid at the balance sheet date. (2015: Nil)

22. Cashflow statement

Reconciliation of operating profit to cash (used in) / generated by operations:	2016	2015
	£	£
Operating profit	297,911	284,202
Adjustment for:		
Taxes paid	(39,101)	(47,167)
Depreciation and amortisation	55,827	52,821
Operating cash flow before movement in working capital	314,637	289,856
(Decrease)/ increase in client monies held	(1,498,327)	2,205,131
(Increase)/decrease in debtors	(1,364,373)	100,831
Increase in creditors	1,057,200	6,335
Cash (used in) / generated by operations	(1,490,863)	2,602,153

Restrictions on cash

The following cash balances held at year end were not available for use by the Group	2016	2015
	£	£
CAPS client money account	13,357,820	14,856,147
Cash collateral account for bonds issued	1,631,990	1,552,884
Insurance client money accounts	320,899	323,364
	15,310,709	16,732,395

23. Related party transactions

The Advantage Travel Centres Limited Group has taken advantage of the exemption contained in FRS102 section 33, and has therefore not disclosed transactions or balances with entities that form part of the Group.

Management fees of £59,200 (2015: £57,700) charged in the profit and loss account are to Alternative Risk Management Limited, a company with a common director.

During the year Advantage Travel Centres Ltd earned management fees of £45,000 (2015: £31,974) and incentives of £277,210 (£89,221) respectively from WIN and also received dividends from WIN of £28,636 (2015: £7,373). An amount of £425,851 (2015: £55,522) was receivable from WIN at year end and is included in debtors

During the year, the Group earned commission revenues and management fees from MGA Cover Services Limited (MGA), a company jointly controlled by Advantage Financial Services Limited and Rock Insurance Services Limited, of £125,506 (2015: £150,163) and £40,000 (2015: £10,000) respectively, received a dividend of £150,000 (2015: £225,000) and, as a broker, passed through premium income to MGA. An amount of £109,064 (2015: £92,133) was owed by the Group to MGA at year end.

23. Related party transactions (Continued)

Details of Group transactions during the year with members in respect of director services provided are as follows:

Jimmy Martin Travel Limited, of which J Martin is a director, received fees of £2,163 (2015: £1,802) for services as a director and expenses of £1,145 (2015: £1,105). £631 was outstanding as at the year end (2015: £157).

Meon Valley Travel Limited, of which J Beagrie is a director, received fees of £721 (2015: £1,442) for services as a director and expenses of £Nil (2015: £ Nil). £Nil was outstanding as at the year end (2015: £1,442).

TravelTime World Limited, of which J Steadman is a director, received fees of £3,244 (2015: £2,874) for services as a director and expenses of £380 (2015: £363). £483 was outstanding as at the year end (2015: £478).

Baldwins Travel Agency Limited, of which N Marks is a director, received fees of £3,230 (2015: £3,580) for services as a director and expenses of £174 (2015: £593). £449 was outstanding as at the year end (2015: £478).

Apex Travel, of which T Brookes-Parry is the Sole Proprietor, received fees of £2,884 (2015: £2,884) for services as a director and expenses of £1,800 (2015: £2,549). £433 was outstanding as at the year end (2015: £Nil).

Review Travel, of which C Gleave is Chief Executive Officer, received fees of £3,245 (2015: £2,873) for services as a director and expenses of £3,023 (2015: £2,769). £665 was outstanding at the year end (2015: £Nil).

Travel Bureau, of which J Lally is a director, received fees of £1,082 (2015: £Nil) for services as a director and expenses of £Nil (2015: £Nil). No amounts were outstanding as at the year end. (2015: £Nil)

Other related party transactions

The total remuneration for key management personnel for the year totalled £534,025 (2015: £547,782), being remuneration for executive directors included in total director's remuneration disclosed in note 5.

24. Ultimate Controlling party

There is no ultimate controlling party in either the current or comparative period.

25. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 30 September 2015 and the date of transition to FRS 102 was therefore 1 October 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

Reconciliation of equity	**At 1 October 2014**	**At 30 September 2015**
	£	**£**
Equity reported under previous UK GAAP	4,320,435	5,910,928
Adjustments to equity on transition to FRS 102		
Deferred tax on revaluation of long leasehold property	(36,060)	(278,404)
Holiday pay accrual	(32,603)	(32,603)
Equity reported under FRS 102	4,251,772	5,599,921

25. Explanation of transition to FRS 102 (Continued)

Deferred tax on revaluation of assets

FRS102 requires the recognition of deferred tax on the revaluation of certain assets. Deferred tax has therefore been recognised on the revaluation gains on the long leasehold Provost St, London property booked prior to 30 September 2014 and during the year ended 30 September 2015 and has been calculated on the chargeable gains (i.e. after allowing for annual indexation allowances) at the corporation tax rate of 17% for the 2014 and 2015 years and 20% for the year ended 30 September 2016 (being the corporation tax rate effective from 1 April 2020). Accordingly, deferred tax totalling £230,329 has been debited to the revaluation reserve. This has had no impact on the Group and Company's profit.

Holiday pay accrual

FRS102 requires short term employee benefits to be charged to the income statement as the employee service is received. This has resulted in the Group recognising a liability for holiday pay for £32,603 on transition to FRS102. Previously holiday pay accruals were not recognised and were charged to the income statement as they were paid. In the year to 30 September 2014 an additional charge of £32,603 was recognised in the income statement and the liability at 30 September 2015 was £32,603. This has had no impact on the Group and Company profit for the current year.

Computer Software

Computer software with a net book value of £122,175 at 30 September 2015 (£1,207 at 1 October 2014) has been reclassified from tangible to intangible asset as required under under FRS102. This has had no impact on the Group and Company's net assets nor on the profit for the year, except that the previous depreciation charge is now described as amortisation.

26 Post Balance Date Event

On 10th March 2017 the Company increased its shareholding in Worldwide Independent Travel Network (WIN) Ltd to 95%. WIN provides corporate, lifestyle and MICE (Meetings, Incentives, Conferences and Events) hotel programmes, and an extensive global network programme across 70 countries.