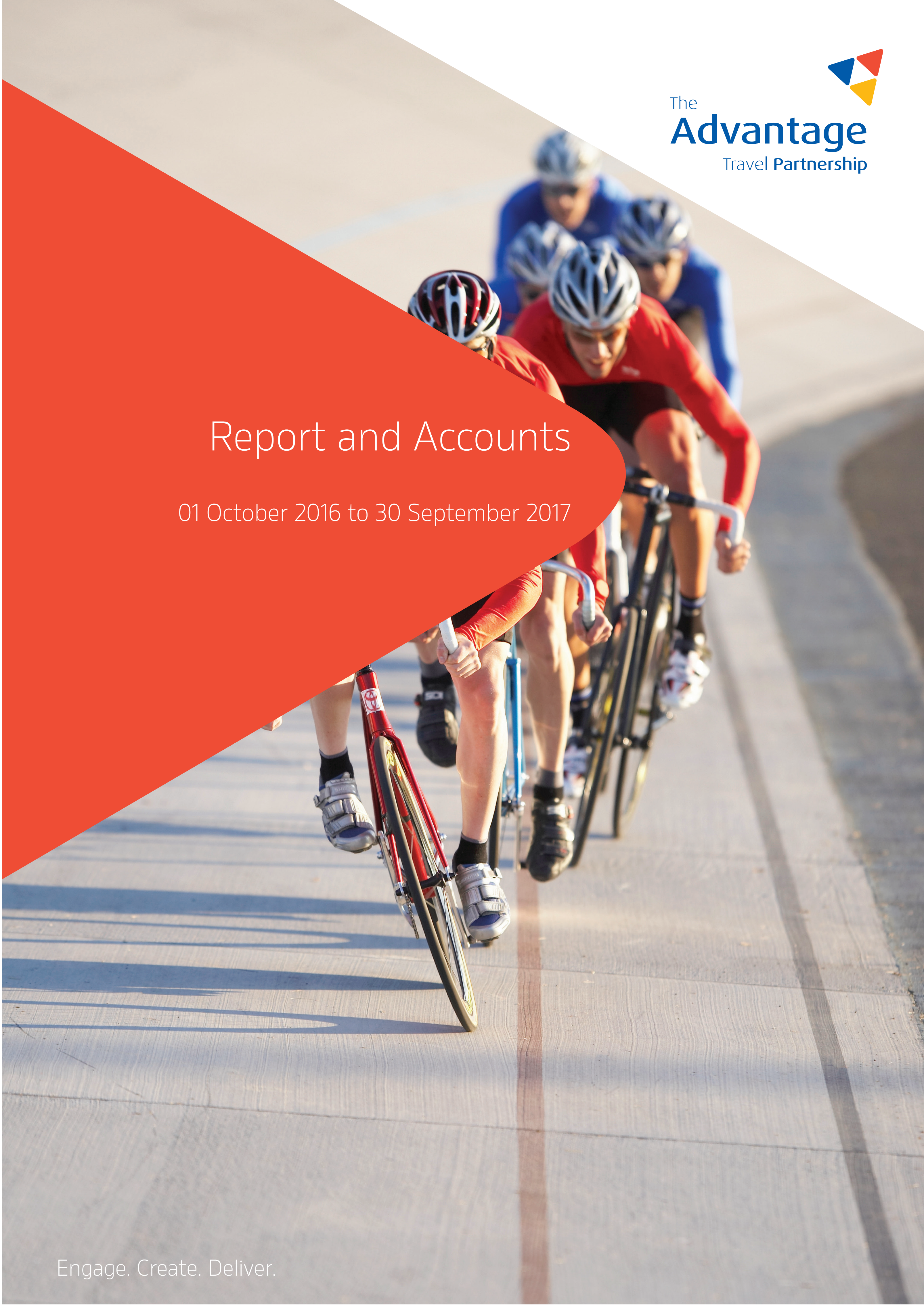

The Advantage Travel Partnership

Report and Accounts

01 October 2016 to 30 September 2017

Engage. Create. Deliver.

Contents

Directors & Board Members

Directors serving in office for the financial period 01 October 2016 – 30 September 2017.

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

Joanne Dooey
Non-Executive Director

Jackie Steadman
Non-Executive Director

Jeanne Lally
Non-Executive Director

Chairman's Report

Dear member partners,

Last year was a transformational year for Advantage. Over the last four years we have grown our capability and capacity, investing in new and existing products and services to ensure that our members have the ability to overcome the many challenges that we face. With a combined group turnover in excess of £4.5 billion, we are able to negotiate arguably the best commercial terms in the industry.

We have built a strong reputation for not only making sure we have an organisation which has its members at its heart, in everything we do, but we recognise that we must do more to represent our members' views to the wider industry and key stakeholders.

I have been pleased to see Julia, and her team, in the press forming opinion within the travel industry, making sure that Advantage members' voices and interests are represented and heard.

With the changes we are facing, I see it is important that we lead, creating opportunities which provide sustainable competitive advantage. The acquisition of WIN, our international hotel programme and expanding global network, is an example of how Advantage can create new business opportunities for our members. This, along with a rapidly growing AMS business and Advantage Holidays, is an example of unique products and services which will be joined by other exciting initiatives to be announced over the next year.

The continued robust financial results demonstrate the health of Advantage and the capability we have to continue to invest and create a stronger member organisation owned by its members.

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 and create a quality organisation. Throughout the central team, we have a team of highly experienced, dedicated travel professionals who continue to strive on behalf of our members to ensure Advantage remains focused on working with you for your 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.

Steven Esom

Non-Executive Chairman

Managing Director's Report

When we set out to deliver our Vision 2020 plan, we were bold and ambitious in our thoughts, and what has become very clear is the need for agility with a flexible approach, a key ingredient in driving the business forward.

In a market that continues to see much consolidation, we also saw the introduction on 01 November 2017 of IAG's distribution charge: the changing face of distribution, particularly for our business travel members.

In November 2017, the board continued its investment in people, technology, products and services, announcing our evolving people structure to drive even greater focus for our business travel community with the appointment of **WIN's CEO Neil Armorgie** to the Advantage board as Global Product Director and Paula Lacey as Group Commercial and Membership Director.

Paul Nunn, who has served the organisation for 16 years, joined the Advantage board as Operations and IT Director.

With the purchase by Advantage of the controlling stake in WIN, we now have a clear strategy and bigger team for expanding our global TMC network – which in 2017 we closed with 72 partner countries. The purchase of WIN has also meant a more joined-up approach to utilise our increased size and buying power, to improve the commercial terms and product offering to all business travel members.

The investments made in 2017 were some of the most ambitious the organisation has undertaken to date as we drive forward activity to support member businesses, with Advantage Holidays delivering over £135k in additional member commission, and membership recruitment adding an additional £63.5m to our total turnover.

The group traded profitably in 2017, though the overall net profit number decreased, due almost entirely to a poor underwriting insurance claims result.

I am also delighted that, since 2014, shareholder dividend payments have increased from £2.50 to £5 per share, and despite the reduced profit number, the board are yet again recommending a dividend of £5 per share.

Key Highlights

- 20 new members joined Advantage during the year, with a combined turnover of £63.5m.
- Advantage Holidays delivered over £135k in additional member commission.
- Best-in-class commercial terms competitive lead increased to 1.21% (from 1.13%) circa £2m differential lead.
- AMS sales increased by 23%.
- A PR value (AVE) of £165,687 was accrued through trade press.
- Advantage central IATA BSP £1.9m and 44 members utilised the Fares helpdesk.
- AFS bond renewal rates were 89%.
- WIN global partners grew from 65 to 72.

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 Development – membership business health and prosperity.
- Advantage Managed Services (AMS) – driving membership growth.
- Marketing & Communications – retaining current and attracting new customers.
- Leisure Travel – leading commercial opportunities in the leisure market.
- Advantage Holidays – access to ATOL-protected holidays with margin improvement capabilities.
- Business Travel – creating value for business travel members.
- WIN Global Network – providing the international TMC network for our business travel members.
- Technology & Gateway2 – technology solutions that increase member efficiency and effectiveness.
- 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.

Kind regards,

Julia Lo Bue-Said

Managing Director

Membership

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

During the year, the central team has concentrated on maximising its engagement with existing members, as well as recruiting new members. This has been achieved by:

Meetings

- 184 one-to-one member meetings
- 56 members attended the Business Travel regional forums
- 12 cluster meetings held – reaching 119 attendees
- 130 members attended the Business Travel Symposium
- Advantage Cruise Conference set sail onboard a P&O Cruise.

Learning & Development

- 115 delegates trained as part of the regional Frontliners selling skills course
- 84 members trained on exclusive Advantage social media training courses
- 13 new business consultancies started
- 51 members attended Business Travel specific training courses

New member recruitment

- 20 new members joined Advantage during the year, with a combined turnover of £63.5m

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, as well as attracting new ones.

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

- Nine new leisure members and two new business travel members joined the scheme.
- First dedicated AMS annual conference held.
- AMS member sales increased by 23%.
- 94.75% of AMS sales are through Advantage preferred suppliers.
- Successfully migrated to franchise ATOL scheme for AMS members, providing greater flexibility.

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 £3.3m new customer sales.
- Direct marketing activity making 375k individual member customer contacts, generating 13,800 bookings worth £42.4m.
- The total number of members using white label solution websites went up from 24 to 29.
- A PR value of (AVE) £165,687 was accrued through trade press.
- 12 monthly marketing campaigns were delivered to members, which included Point of Sale, social media, digital activity and direct marketing collateral.
- Elements of the direct marketing were redesigned (door drop, DM and Anniversary campaigns) with a fresh, modern feel with better customer personalisation and presentation of offers.
- A website audit was produced for all members covering 307 individual websites, with individually personalised audit reports and recommendations to improve their website performance.

Leisure Travel

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 for their membership. This year we continued to improve our commercial advantage in our relationships with preferred business partners:

- Best-in-class commercial terms competitive lead increased to 1.21% (from 1.13%) circa £2m differential lead.
- Incremental off invoice member earnings increased by 54% to £904k.
- Incremental member earnings from cruise increased by 25% to £196k.

Advantage Holidays

We recognise the need for members to be able to compete in an increasingly competitive marketplace, whilst reducing risk. Advantage Holidays provides full ATOL bonding, which enables our members to continue dynamically packaging holidays utilising our ATOL without the risk and financial burden of holding their own. Our group buying power underpins a strong commercial proposition, ensuring we deliver a broad product range with market-leading rates, resulting in competitive pricing and the opportunity to maximise margin.

- Delivered over £135k in additional member commission.
- 44% of bookings made utilised 'margin manager' to increase commission.
- Over £12k paid to members in booking incentives.
- 200 active members with over 100 making more than one booking.

Business Travel

5-Year Vision: In the corporate travel sector, we have established ourselves as the industry-leading commercial organisation, providing an air strategy running across our four member business categories – Corporate Premium, Corporate Plus, Focus Partnership and AMS. Beyond air we have built on the opportunities for members through the majority purchase of the WIN Global Travel Network, provider of our corporate hotel programme and international partnerships. In addition we have continued to grow our portfolio of preferred suppliers for business travel members.

Highlights include:

- 13 commercial agreements and nett fare contracts with 26 airlines managed on behalf of non-Focus members.
- 39 airline commercial contracts and 75 nett fare contracts managed on behalf of the Focus Partnership.
- Advantage central IATA BSP £1.9m (from 01 Oct 2016 – 30 Sept 2017) and 44 members utilising the Fares helpdesk.
- 30k hotels are now in the corporate hotel programme.
- 3.5 million hotel room nights booked in the year.
- The launch of our members' own Meetings & Events venue sourcing desk.
- Increased Advantage profile and presence at The Business Travel Show.
- 15 fares & ticketing and business skills courses available via the training academy.

WIN Global Travel Network

In March 2017, Advantage acquired a 95% share of WIN, with the remaining 5% held by the largest independent travel group across mainland Europe, Schmetterling International GmbH & Co. KG. The purchase provides the Advantage Travel Partnership with control of WIN, ensuring both its products and services, as well as its direction and purpose, meet the requirements of our membership. WIN has historically provided the international TMC network for our business travel members, as well as offering a wide range of hotel product for members and their corporate clients. As a vital part of our business travel portfolio, we have taken the opportunity, through the purchase, to ensure a cohesive and joined-up approach for business travel and continue to build an even more robust product offering.

Highlights include:

- Growing the international TMC network to 72 countries.
- A 75% increase in use of the network for corporate account sharing.
- The fourth WIN annual conference with over 50 countries represented.
- An 11% year-on-year growth in room nights booked by members.
- Partnerships with 42 hotel groups.
- A record attendance of 120 at the annual Hotel Hero Conference.
- Over 300 hotels participating in our Lifestyle Collection Portfolio.
- Increasing the Meetings & Events product portfolio for members.

Technology & Gateway2

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. Standout developments this year have been:

- The development of Gateway2, a bespoke booking system developed and owned by Advantage, providing us with the control required to tailor the system to our members' needs and requirements. Twenty-one new features developed and implemented on the system during the year.
- Powered by Gateway2, Advantage Holidays has empowered members to 'manage margins', delivering an additional 4.4% commission on 45% of bookings made on the platform.
- The creation of a central database that captures and holds members' booking data, providing the centre with vital MI and members with a unique online dashboard reporting tool.

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 grew premium revenues by 15%
- Insurance company IAICL starts underwriting small business ATOL bonds.
- Renewal rate of 85% on insurance and 89% on bonding.

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 so 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, people and services, which will gather pace in the new financial year.

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 across both leisure and business travel, and we have no intention of relinquishing that position in the years ahead.

Best wishes

Julia Lo Bue-Said
Managing Director

Company Registration No. 04698963

Advantage Travel Centres Limited

Annual report and consolidated financial statements

For the year ended 30 September 2017

Advantage Travel Centres Limited

Contents

Advantage Travel Centres Limited
Company information

Directors

S Esom (Chairman)
N Armorgie
J A Beagrie
T D Brookes-Parry
J Dooey
C D D Gleave
P Lacey
J Lally
J Lo Bue-Said
N F Marks
N G Moser
P Nunn
J Steadman

Secretary
R M V Jones

Registered Office
21 Provost Street
London
N1 7NH

Registered number
04698963 (England and Wales)

Auditor
Deloitte LLP
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 2017.

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 reported a net profit before tax result for the year of £321,326 (2016: £675,835) and consolidated net assets at year end of £6,434,803 (2016: £6,231,511).

Retained turnover across most categories was largely in line with prior year and the group benefited from a £174,123 profit contribution from the consolidation of the results of Worldwide Independent Travel Network (WIN) Limited ("WIN") from 10 March 2017. However, the overall performance was negatively impacted by a poor underwriting insurance claims result which was largely responsible for the £275,787 decrease in operating profit over the prior year.

During the year the Group continued to invest in the development of Gateway2, its next generation booking platform through which members can book hotels (via bed banks) and flights and ancillaries, and in the marketing and promotion of Advantage Holidays, the solution which (via the Gateway2 platform) enables members to search, book and deliver fully-bonded holidays to their customers under the central Advantage ATOL. The investment in Advantage Holidays is a long term play and while this business is still in its start-up phase the directors are satisfied with its growth to date.

The Group's managed services activities (AMS) experienced strong growth in 2017. Gross revenues managed increased to £54.3m, from £44.2m in 2016, 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; to continue to focus on substantially growing the AMS activities; and to leverage value from its recent purchase of a controlling interest in WIN. The further investment in WIN in the current year supports the Group's drive to invest in unique opportunities by providing growth potential for members who will be given exclusive products to create strong content and deals for clients. In addition it allows the group to deliver a wider range of business travel products and services to benefit the Advantage members which includes RFP tools, activity in the MICE sector and access to a global network of TMCs.

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; and
- 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:

	2017	2016
AMS Gross Revenues (incl pass through revenues)	£54,335,122	£44,181,694
Advantage Financial Services % of bond renewals	89%	88%
Net Growth in membership (number of branches)	+9	-5

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

J Lo Bue-Said

Director

The directors present their annual report with the audited financial statements of the Company and the Group for the year ended 30 September 2017.

Dividends

The directors recommend a final dividend of £5.00 (2016: £5.00) per ordinary share.

Directors

The directors shown below have held office during the whole of the period from 1 October 2016 to the date of this report.

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

Other changes in directors holding office are as follows:
J Martin – resigned 11 July 2017
J Dooey – appointed 11 July 2017
N Armorgie - appointed 1 November 2017
P Nunn - appointed 1 November 2017

Going concern

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least the next twelve months from the approval of these financial statements. 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 accounting policies note (Note 1) in the financial statements.

Future developments

Details of future developments can be found in the Group strategic report on page 2 and form part of this report by cross reference.

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 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2016.

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 its behalf by:

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 judgements 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

Report on the audit of the financial statements

Opinion

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 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Advantage Travel Centres Limited ('the parent Company') and its subsidiaries (the 'Group') which comprise;

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice.)

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 Group and the parent 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

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, 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 Group's and the parent 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 Group or the parent 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

Report on other legal and regulatory requirements

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

In light of the knowledge and understanding of the Group and of the parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom
19 March 2018

Advantage Travel Centres Limited

Consolidated profit and loss account
For the year ended 30 September 2017

	Notes	2017	Restated 2016
		£	£
Turnover			
Group and share of joint venture		20,900,059	17,700,179
Less:			
Share of joint venture turnover		(506,986)	(442,690)
Group turnover	2	20,393,073	17,257,489
Cost of sales		(15,685,244)	(13,401,932)
Gross profit		4,707,829	3,855,557
Administrative expenses		(4,755,705)	(3,597,646)
Other operating income		70,000	40,000
Operating profit		22,124	297,911
Income from joint venture	12	249,830	255,436
Dividend from participating interest		-	28,636
Interest income		56,205	102,092
		328,159	684,075
Interest expense	6,19	(6,833)	(8,240)
Profit before taxation	3	321,326	675,835
Tax on profit	7	(41,803)	(74,903)
Profit after taxation		279,523	600,932

Continuing operations

The current year profit includes the results of WIN from 10 March 2017, the date of acquisition (see note 15).

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

Advantage Travel Centres Limited

Consolidated statement of comprehensive income
For the year ended 30 September 2017

	2017	2016
	£	£
Profit for the financial year	279,523	600,932
Tax on revaluation of tangible fixed assets	11,874	48,075
Other comprehensive income	11,874	48,075
Total comprehensive income	291,397	649,007
Profit for the year attributable to:		
Non-controlling interest	7,349	1,200
Equity shareholders of the Company	272,174	599,732
	279,523	600,932
Total comprehensive income for the year attributable to:		
Non-controlling interest	7,349	1,200
Equity shareholders of the Company	284,048	647,807
	291,397	649,007

Advantage Travel Centres Limited (Registered number: 04698963)

Consolidated balance sheet
As at 30 September 2017

	Notes	2017	2016
		£	£
Fixed assets			
Intangible assets	10	188,319	120,197
Tangible assets	11	3,313,820	3,239,596
Investments	12	82,687	136,866
Total fixed assets		3,584,826	3,496,659
Current assets			
Debtors	13	2,573,104	2,230,955
Cash at bank and in hand		20,622,146	19,772,612
		23,195,250	22,003,567
Creditors			
Amounts falling due within one year	14	(20,103,132)	(18,763,211)
Net current assets		3,092,118	3,240,356
Total assets less current liabilities		6,676,944	6,737,015
Creditors			
Amounts falling due after more than one year	16	-	(250,971)
Provisions for liabilities	18	(242,141)	(254,533)
Net assets		6,434,803	6,231,511
Capital and reserves			
Called up share capital	20	23,045	24,560
Share premium account		973,505	959,864
Revaluation reserve		1,628,677	1,616,803
Capital redemption reserve		6,575	6,575
Profit and loss account		3,725,193	3,602,509
Shareholders' funds		6,356,995	6,210,311
Non-controlling interest	21	77,808	21,200
Total capital employed		6,434,803	6,231,511

The financial statements were approved by the Board of Directors on 19 March 2018 and were signed on its behalf by:

....

J Lo Bue-Said - Director

Advantage Travel Centres Limited (Registered Number: 04698963)

Company balance sheet
As at 30 September 2017

	Notes	2017	2016
		£	£
Fixed assets			
Intangible assets	10	161,660	120,197
Tangible assets	11	3,313,820	3,239,596
Investments	12	1,588,309	403,815
		5,063,789	3,763,608
Current assets			
Debtors	13	2,381,946	2,254,105
Cash at bank and in hand		14,374,522	14,845,665
		16,756,468	17,099,770
Creditors			
Amounts falling due within one year	14	(16,533,796)	(16,366,403)
Net current assets		222,672	733,367
Total assets less current liabilities		5,286,461	4,496,975
Creditors			
Amounts falling due after more than one year	16	-	(250,971)
Provisions for liabilities	18	(242,141)	(254,533)
Net assets		5,044,320	3,991,471
Capital and reserves			
Called up share capital	20	23,045	24,560
Share premium account		973,505	959,412
Revaluation reserve		1,628,677	1,616,803
Capital redemption reserve		6,575	6,575
Profit and loss account		2,412,518	1,384,121
Shareholders' funds		5,044,320	3,991,471

The profit for the financial year dealt with in the financial statements of the parent Company was £1,177,887 (2016: £99,162).

The financial statements were approved by the Board of Directors on 19 March 2018 and were signed on its behalf by:

....

J Lo Bue-Said - Director

Advantage Travel Centres Limited

Consolidated statement of changes in equity
For the year ended 30 September 2017

	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 1 October 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	55	8,578	-	-	-	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	24,560	959,864	1,616,803	6,575	3,602,509	6,210,311	21,200	6,231,511
Profit for the financial year	-	-	-	-	272,174	272,174	7,349	279,523
Deferred tax adjustments on prior year gains on revaluation of property	-	-	11,874	-	-	11,874	-	11,874
Total comprehensive income	-	-	11,874	-	272,174	284,048	7,349	291,397
Issue of share capital	60	13,641	-	-	-	13,701	-	13,701
Dividend paid on equity shares	-	-	-	-	(108,225)	(108,225)	-	(108,225)
Dividend paid to non-group shareholders	-	-	-	-	-	-	(1,200)	(1,200)
Non-controlled interest in subsidiary	-	-	-	-	-	-	50,459	50,459
Purchase of own shares	(1,575)	-	-	-	(41,265)	(42,840)	-	(42,840)
At 30 September 2017	23,045	973,505	1,628,677	6,575	3,725,193	6,356,995	77,808	6,434,803

Advantage Travel Centres Limited

Company statement of changes in equity
For the year ended 30 September 2017

	Called up share capital	Share premium account	Revaluation reserve	Capital redemption Reserve	Profit and loss account	Total
	£	£	£	£	£	£
At 1 October 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	55	8,578	-	-	-	8,633
Dividend paid on equity shares	-	-	-	-	(46,050)	(46,050)
At 30 September 2016	24,560	959,412	1,616,803	6,575	1,384,121	3,991,471
Profit for the financial year	-	-	-	-	1,177,887	1,177,887
Deferred tax adjustments on prior year gains on revaluation of property	-	-	11,874	-	-	11,874
Total comprehensive income	-	-	11,874	-	1,177,887	1,189,761
Issue of share capital	60	13,641	-	-	-	13,701
Adjustment		452	-	-	-	452
Dividend paid on equity shares	-	-	-	-	(108,225)	(108,225)
Purchase of own shares	(1,575)	-	-	-	(41,265)	(42,840)
At 30 September 2017	23,045	973,505	1,628,677	6,575	2,412,518	5,044,320

Advantage Travel Centres Limited

Consolidated cash flow statement
For the year ended 30 September 2017

	Notes	2017 £	2016 £
Net cash flows from operating activities	23	710,203	(1,490,863)
Cash flows from investing activities			
Purchase of intangible assets	10	(84,092)	(22,622)
Purchase of tangible assets	11	(96,046)	(10,653)
Interest received		56,205	102,092
Dividend received from joint venture		250,000	150,000
Dividend received from participating interest		-	28,636
Net cash inflow from acquisition of subsidiary	15	490,259	-
Net cash flows from investing activities		616,326	247,453
Cash flows from financing activities			
Dividend paid		(108,225)	(46,050)
Dividend paid to non-controlling interest		(1,200)	(1,200)
Repayment of borrowings		(331,598)	(78,188)
Interest on borrowings		(6,833)	(8,240)
Proceeds on issue of shares		13,701	8,633
Share buy back		(42,840)	-
Net cash flows from financing activities		(476,995)	(125,045)
Net increase/(decrease) in cash		849,534	(1,368,455)
Cash at beginning of year		19,772,612	21,141,067
Cash at end of year		20,622,146	19,772,612

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 private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. 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 functional currency of the Group is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

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.

Significant judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 the bondholder is received.

Intangible assets

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2013 and the purchase of a controlling interest in WIN in the current year, 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 the 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 Group, 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 term, even if the payments are not made on such a basis.

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 or (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 and 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'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.

	2017	2016
	£	£
Travel services income	19,366,659	16,240,984
Financial and other income	1,026,414	1,016,505
	20,393,073	17,257,489

3. Profit on ordinary activities before taxation

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

	2017	2016
	£	£
Operating lease rentals	49,646	50,004
Depreciation of tangible fixed assets (note 11)	20,872	19,225
Amortisation of software intangible assets (note 10)	37,294	31,268
Amortisation of goodwill (note 10)	8,690	5,334
Auditors' remuneration	69,749	41,768
Auditors' remuneration for non-audit work	31,447	32,958
Software development expenses	88,992	213,321
Loss on disposal of fixed assets	2,771	-
Foreign exchange loss /(gain)	9,647	(2,684)

4. Staff costs

	2017	2016
	£	£
Wages and salaries	2,826,797	2,289,547
Social security costs	313,976	231,509
Other pension costs	132,361	94,247
	3,273,134	2,615,303

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

	2017	2016
	Number	Number
Management	6	5
Other	65	51
	71	56

5.	Directors' remuneration	2017	2016
		£	£
	Directors' remuneration	580,885	560,845
	Contributions to money purchase pension schemes	71,023	20,688
	Sums paid to related parties in respect of director services	31,880	33,048
		683,788	614,581
	The number of directors who are members of money purchase schemes:	6	5

	Information regarding the highest paid director is as follows:	2017	2016
		£	£
	Emoluments etc.	126,155	137,318
	Contributions to money purchase pension schemes	25,562	6,000
		151,717	143,318

Details of transactions with directors during the year are disclosed in note 24.

6.	Interest payable and similar charges	2017	2016
		£	£
	Mortgage interest	6,833	8,240

7. Taxation

The tax charge comprises UK corporation tax allocated as follows:

	2017	2016
Current tax:	£	£
Tax on current year profit	90,905	58,924
R&D tax credit relating to prior year	(51,526)	-
Other prior year adjustments	2,942	20,011
Total current tax	42,321	78,935
Deferred tax		
Origination and reversal of timing differences	(518)	(4,032)
Total deferred tax (see note 18)	(518)	(4,032)
Total tax on profit	41,803	74,903

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:

	2017	2016
Profit before tax	321,326	675,835
Tax on profit at standard UK corporation tax rate of 19.5% (2015: 20%)	62,659	135,167
Effects of:		
Expenses not deductible for tax purposes	5,673	2,937
Transitional adjustments on conversion to FRS102	-	(6,521)
Income not taxable for tax purposes	(48,717)	(60,173)
R&D tax credit relating to prior year	(51,526)	-
Other prior year adjustments	2,942	20,011
Tax on income from joint venture	50,196	43,282
Difference in overseas tax	21,403	(59,800)
Tax rate changes	(827)	-
	41,803	74,903

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

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. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

9. Dividends paid

	2017	2016
	£	£
Ordinary shares of £1 each - Final at £5.00 per share (2016: £2.00)	108,225	46,050
Cumulative preference shares held by non-group shareholders	1,200	1,200
	109,425	47,250

10. Intangible fixed assets

Group	**Software**	**Goodwill**	**Totals**
Cost or valuation	£	£	£
At 1 October 2016	262,465	26,671	289,136
Additions	84,092	30,014	114,106
Disposals	(7,514)	-	(7,514)
At 30 September 2017	339,043	56,685	395,728
Amortisation			
At 1 October 2016	148,936	20,003	168,939
Charge for year	37,294	8,690	45,984
W/back on disposals	(7,514)	-	(7,514)
At 30 September 2017	178,716	28,693	207,409
Net book value			
At 30 September 2017	160,327	27,992	188,319
At 30 September 2016	113,529	6,668	120,197

Company	**Software**	**Goodwill**	**Totals**
Cost or valuation	£	£	£
At 1 October 2016	262,465	26,671	289,136
Additions	84,092	-	84,092
Disposals	(7,514)	-	(7,514)
At 30 September 2017	339,043	26,671	365,714
Amortisation			
At 1 October 2016	148,936	20,003	168,939
Charge for year	37,294	5,335	42,629
W/back on disposals	(7,514)	-	(7,514)
At 30 September 2017	178,716	25,338	204,054
Net book value			
At 30 September 2017	160,327	1,333	161,660
At 30 September 2016	113,529	6,668	120,197

11. Tangible fixed assets

	Long leasehold	Office equipment	Fixtures and fittings	Totals
	£	£	£	£
Group and Company				
Cost or valuation				
At 1 October 2016	3,175,000	89,268	439,603	3,703,871
Additions	-	33,506	62,540	96,046
Addition as part of WIN acquisition	-	1,821	-	1,821
Disposals	-	(50,060)	(331,332)	(381,392)
At 30 September 2017	3,175,000	74,535	170,811	3,420,346
Depreciation				
At 1 October 2016	-	88,486	375,789	464,275
Charge for year	-	2,686	18,186	20,872
Written back on disposals	-	(50,060)	(328,561)	(378,621)
At 30 September 2017	-	41,112	65,414	106,526
Net book value				
At 30 September 2017	3,175,000	33,423	105,397	3,313,820
At 30 September 2016	3,175,000	782	63,814	3,239,596

Group and Company

Cost or valuation at 30 September 2017 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	74,535	170,811	1,573,214
	3,175,000	74,535	170,811	3,420,346

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

	2017	2016
	£	£
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 2016	133,053	3,813	136,866
Share of (loss)/profit after tax and dividend	(50,366)	-	(50,366)
Reclassification as subsidiary undertaking	-	(3,813)	(3,813)
At 30 September 2017	82,687	-	82,687
Net book value			
At 30 September 2017	82,687	-	82,687
At 30 September 2016	133,053	3,813	136,866

The Group's aggregate share in the joint venture with MGA Cover Services Ltd (MGA) at year end is outlined below. MGA is an insurance underwriting agency incorporated in the UK whose registered office is at Farren House, The Street, Farren Court, Cowfold, West Sussex RH13 8BP.

	2017	2016
	£	£
Turnover	506,986	442,690
Profit before tax	249,830	255,436
Taxation	(50,196)	(43,282)
Profit after tax	199,634	212,154
Dividend	(250,000)	(150,000)
(Loss)/ profit after tax and dividend	(50,366)	62,154
Share of assets		
Fixed assets	6,274	9,464
Current assets	442,329	467,190
	448,603	476,654
Share of liabilities		
Liabilities due within one year	(365,916)	(343,601)
Share of net assets	82,687	133,053

Unlisted investment

The unlisted investment comprised the Company's 25% interest in the share capital of Worldwide Independent Travel Network (WIN) Ltd (WIN) until 10 March 2017 when the Company increased its interest to 94.74% and WIN became a subsidiary undertaking. In accordance with the Companies Act 2006 this investment was described as a participating interest in 2016 and was included in the Group balance sheet at a cost of £3,813 only and not at equity value. Since 10 March 2017 the original investment together with the further investment has been recorded at equity value and the WIN net assets, non-controlling interest and goodwill included in the Group balance sheet.

12. Fixed asset investments (continued)

	Unlisted investments £
Company	
Cost	
At 1 October 2016	421,088
Subscription of shares in subsidiary	250,000
Purchase of shares in subsidiary	934,494
At 30 September 2017	1,605,582
Provisions for impairment	
At 1 October 2016	17,273
Provided during the year	-
At 30 September 2017	17,273
Net book value	
At 30 September 2017	1,588,309
At 30 September 2016	403,815

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

	% Holding
Worldwide Independent Travel Network (WIN) Ltd	94.74
Country of Incorporation: United Kingdom	
Nature of business: Travel related services	
Class of shares: Ordinary	
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	
	2017	**2016**	**2017**	**2016**
	£	**£**	**£**	**£**
Trade debtors	1,356,028	1,219,445	1,138,010	1,102,467
Amounts owed by Group undertakings	-	-	423,531	158,263
Amounts owed by participating interest	-	425,851	-	425,851
Other debtors	107,935	297,992	104,676	297,992
Prepayments and accrued income	1,057,615	287,667	664,203	269,532
Corporation tax receivable	51,526	-	51,526	-
	2,573,104	2,230,955	2,381,946	2,254,105

14. Creditors: Amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 16)	-	80,627	-	80,627
Trade creditors	2,809,428	2,143,411	351,039	213,758
Corporation tax	29,511	15,642	-	13,850
Social security and other taxes	100,927	77,995	90,213	73,443
VAT	88,949	159,537	102,823	160,555
Other creditors	1,155,002	1,348,939	694,186	1,078,204
Client balances	515,296	450,754	515,296	450,754
CAPS and AMS client monies held	13,825,791	13,357,820	13,825,791	13,357,820
Amounts owed to joint venture	41,933	109,064	-	-
Amounts owed to group undertakings	-	-	200,000	-
Accruals and deferred income	1,536,295	1,019,422	754,448	937,392
	20,103,132	18,763,211	16,533,796	16,366,403

15. Acquisition of subsidiary undertaking

On 10 March 2017, the Group increased its 25% holding in the share capital of Worldwide Independent Travel Network (WIN) Ltd ("WIN") to 94.74% and WIN became a subsidiary undertaking at that time. The acquisition has been accounted for under the purchase method.

Details of the acquisition and of the net assets, non-controlling interest and goodwill arising on consolidation are as follows:

	2017	2017	2017
Purchase consideration	£	£	£
Cash paid for shares			929,844
Direct costs relating to the acquisition			4,650
Total consideration for current year acquisition			934,494
Cost of original 25% investment			3,813
Total cost of investment			938,307

Net assets acquired	**Book value**	**Revaluation**	**Fair Value to Group**
Tangible assets	1,821	-	1,821
Cash at bank and in hand	1,424,753	-	1,424,753
Debtors	810,691	-	810,691
Creditors	(1,278,513)	-	(1,278,513)
Net assets	958,752	-	958,752
Non-controlling interest			(50,459)
Goodwill			30,014
			938,307

Net cash inflow during the year from the acquisition	
Purchase consideration settled in cash in current year	(934,494)
Cash and cash equivalents in subsidiary acquired	1,424,753
Cash inflow on acquisition	490,259

The acquired company contributed profit before tax of £174,123 (and profit after tax of £139,638) to the Group for the period from 10 March to 30 September 2017.

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loan (secured)	-	250,971	-	250,971

The bank loan was repaid early on 29 August 2017. The loan had been 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		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	-	80,627	-	80,627
Amounts falling due between one and two years:				
Bank loans: 1-2 years	-	82,252	-	82,252
Amounts falling due between two and five years:				
Bank loans: 2-5 years	-	168,719	-	168,719

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

17. Financial commitments

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

	2017		2016	
	Land and buildings	Other	Land and buildings	Other
Group	£	£	£	£
Expiring:				
Within one year	12,000	34,434	12,000	42,681
Between one and five years	48,000	32,031	4,044	38,856
After five years	4,000	-	-	-
	64,000	66,465	16,044	81,537

	2017		2016	
	Land and buildings	Other	Land and buildings	Other
Company	£	£	£	£
Expiring:				
Within one year	12,000	29,459	12,000	41,288
Between one and five years	48,000	24,766	4,044	38,856
After five years	4,000	-	-	-
	64,000	54,225	16,044	80,144

18. Provisions for liabilities

Movements in the deferred tax liability account were as follows:

	£
Group	
At 1 October 2016	254,533
Credited to profit and loss	(518)
Credited to other comprehensive income	(11,874)
At 30 September 2017	242,141
Company	
At 1 October 2016	254,533
Credited to profit and loss	(518)
Credited to other comprehensive income	(11,874)
At 30 September 2017	242,141

Deferred tax is provided as follows:	2017	2016
	£	£
Group		
Accelerated capital allowances	26,236	24,204
Short term timing differences - trading	(2,550)	-
Revaluation gains on long leasehold property	218,455	230,329
	242,141	254,533
Company		
Accelerated capital allowances	26,236	24,204
Short term timing differences - trading	(2,550)	-
Revaluation gains on long leasehold property	218,455	230,329
	242,141	254,533

19. Financial instruments

The carrying values of the Group's financial assets and liabilities are summarised by category below:	2017	2016
	£	£
Financial assets		
Measured at undiscounted amount receivable		
Trade and other debtors (see note 13)	1,356,028	1,219,445
Amounts owed by participating interest (see note 13)	-	425,851
Equity instruments measured at cost less impairment		
Fixed asset investments in unlisted equity instruments (see note 12)	-	3,813
Interest in joint venture (see note 12)	82,687	133,053
At 30 September	1,438,715	1,782,162
Financial liabilities		
Measured at amortised cost		
Loans payable (see note 16)	-	331,598
Measured at undiscounted amount payable		
Trade and other creditors (see note14)	2,809,428	2,143,411
Amount owed to joint venture (see note 14)	41,933	109,064
At 30 September	2,851,361	2,584,073

The Group's income and expense in respect of financial instruments are summarised below:	2017	2016
	£	£
Interest income and expense		
Total interest income for financial assets at amortised cost	56,205	102,092
Total interest expense for financial liabilities at amortised cost	(6,833)	(8,240)
At 30 September	49,372	93,852

20. Called up share capital and reserves

Allotted, issued and fully paid:	Number	Class	Nominal Value	2017	2016
			£	£	£
	22,535	Ordinary	1	22,535	22,745
	510	Leaver	1	510	1,815
				23,045	24,560

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 £14,082 (2016: £42,406). The liability has not been provided as it requires shareholder's acceptance to create a liability.

20. Called up share capital and reserves (continued)

Movement in share capital

	Opening Balance	Issued	Redeemed	Transfers and adjustments	Closing Balance
	£	£	£	£	£
Ordinary	22,745	60	-	(270)	22,535
Leaver	1,815	-	(1,765)	460	510
	24,560	60	(1,765)	190	23,045

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 account 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. Non-controlling interest

6% cumulative redeemable preference shares of £227,500 (2016: £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 and are therefore considered equity in nature.

Ordinary shares are issued in WIN and represent 5.26% of that entity's issued capital.

	Balance brought forward	WIN acquisition	Share of current year profit	Dividend paid	Amounts due to non-controlling interest
Non-controlling interest movement:	£	£	£	£	£
6% Preference shares	21,200	-	-	(1,200)	20,000
Ordinary shares	-	50,459	7,349	-	57,808
	21,200	50,459	7,349	(1,200)	77,808

22. 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 £132,361 (2016: £94,247). An amount of £25,686 was accrued at the balance sheet date (2016: £13,012).

23. Cash flow statement

Reconciliation of operating profit to cash generated by/(used in) operations:	2017	2016
	£	£
Operating profit	22,124	297,911
Adjustment for:		
Taxes paid	(46,556)	(39,101)
Depreciation and amortisation	66,856	55,827
Loss on disposal of fixed assets	2,771	-
Operating cash flow before movement in working capital	45,195	314,637
Increase/(decrease) in client monies held	467,971	(1,498,327)
Decrease/(increase) in debtors	520,066	(1,364,373)
(Decrease)/increase in creditors	(323,029)	1,057,200
Cash generated by/(used in) operations	710,203	(1,490,863)

Restrictions on cash

The following cash balances held at year end were not available for use by the Group:	2017	2016
	£	£
CAPS and AMS client money accounts	13,825,791	13,357,820
Cash collateral account for bonds issued	1,978,029	1,631,990
Insurance client money accounts	414,843	320,899
	16,218,663	15,310,709

24. Related party transactions

FRS 102 Section 33, does not require disclosure of transactions entered into between two or more members of the Group, provided that any subsidiary which is a party to the transaction is a wholly owned member. Hence these transactions were not disclosed in these financial statements.

There were no material related party transactions entered into during the year that have not been concluded under normal market conditions.

Management fees of £91,750 (2016: £59,200) 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 Limited earned management fees of £45,000 (2016: £45,000) and incentives of £139,385 (2016: £277,210) respectively from WIN. No dividends were received from WIN during this period (2016: £28,636).

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 £144,255 (2016: £125,506) and £70,000 (2016: £40,000) respectively, received a dividend of £250,000 (2016: £150,000) and, as a broker, passed through premium income to MGA. An amount of £41,933 (2016: £109,064) was owed by the Group to MGA at year end.

24. 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 £1,442 (2016: £2,163) for services as a director and expenses of £1,210 (2016: £1,145). £Nil was outstanding as at the year end (2016: £631).

Meon Valley Travel Limited, of which J Beagrie is a director, received fees of £2,244 (2016: £721) for services as a director and expenses of £Nil (2016: £ Nil). £2,244 was outstanding as at the year end (2016: Nil).

TravelTime World Limited, of which J Steadman is a director, received fees of £2,524 (2016: £3,244) for services as a director and expenses of £381 (2016: £380). £Nil was outstanding as at the year end (2016: £483).

Baldwins Travel Agency Limited, of which N Marks is a director, received fees of £2,522 (2016: £3,230) for services as a director and expenses of £224 (2016: £174). £Nil was outstanding as at the year end (2016: £449).

Apex Travel, of which T Brookes-Parry is the Sole Proprietor, received fees of £2,524 (2016: £2,884) for services as a director and expenses of £1,375 (2016: £1,800). £Nil was outstanding as at the year end (2016: £433).

Review Travel, of which C Gleave is Chief Executive Officer, received fees of £1,442 (2016: £1,583) for services as a director and expenses of £1,583 (2016: £3,023). £Nil was outstanding at the year end (2016: £665).

Travel Bureau, of which J Lally is a director, received fees of £2,342 (2016: £1,082) for services as a director and expenses of £1,325 (2016: £Nil). £Nil was outstanding at the year end. (2016: £Nil)

Love to Travel, of which J Dooey is a director, received fees of £361 (2016: £Nil) for services as a director and expenses of £76 (2016: £Nil). £Nil was outstanding at the year end. (2016: £Nil)

Other related party transactions

The total remuneration for key management personnel for the year totalled £604,400 (2016: £534,025), being remuneration for executive directors included in total director's remuneration disclosed in note 5.

25. Ultimate controlling party

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

26 Restatement of prior year comparatives in consolidated profit and loss account

An amount of £976,404 has been reclassified between turnover and cost of sales in the comparative amounts for 2016 in order to correct an overstatement of revenue and cost of sales. There was no impact on gross profit or operating profit.