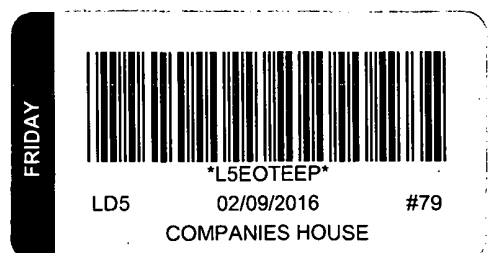


Company registration no. 03190720

Audley Travel Group Limited

Annual report and financial statements

31 December 2015



Audley Travel Group Limited

Annual report and financial statements 2015

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Audley Travel Group Limited

Annual report and financial statements 2015

Officers and professional advisers

Directors

C Mantel (resigned 13 November 2015)
R Prosser
I Simkins
R Kelman
I Bumstead
M Hanson (appointed 13 November 2015)

Registered office

The New Mill
New Mill Lane
Witney
Oxfordshire
OX29 9SX

Bankers

Barclays Bank Plc
United Kingdom House
7th Floor
180 Oxford Street
London
W1D 1EA

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Abbots House
Abbey Street
Reading
RG1 3BD

Audley Travel Group Limited

Strategic report

Principal activities

The principal activity of the Company continued to be that of a tailor-made tour operator.

Review and results for the year

The Company is pleased to announce another successful year of growth and delivering excellent service to our clients. Audley Travel Group Limited ('Audley Travel') has continued to work with suppliers to ensure the continued provision of inspiring travel products. The Company's focus on client service allied to high product quality has allowed us to again see increases in net profit as we continue to grow.

Operating profit for the year was £18,961k (2014: £14,679k), which the directors consider to be a satisfactory result.

The Company continues to carefully monitor the available financing and cash resources, and as well as closing 2015 with £22,725k of cash (2014: £29,901k) the Company has provided £27,000k (2014: £10,000k) of cash to the parent group in order to enable early repayment of the group's external financing.

On 18 December 2015 100% of the share capital of Atlas Holdco 1 Limited was purchased by Boketto Bidco Limited, a wholly owned subsidiary of Boketto Holdco Limited, a company incorporated in the UK and controlled by 3i Group plc. As part of the transaction to acquire the share capital, Boketto Bidco Limited provided funding to repay the outstanding senior debt and loan notes in the Group.

Analysis based on key performance indicators

The key performance indicators are as follows:

	2015	2014
Turnover	£151,727k	£133,568k
Gross profit margin	22.7%	22.1%
Current ratio	1.49	1.48

Principal risks and uncertainties

Market risk

The Company is reliant on the desire of the UK population to take long-haul tailor-made holidays. This market is growing and further growth can be achieved by increasing the breadth of travel choices we offer, as well as taking market share from competitors. The directors continue to monitor cost and quality levels to ensure an acceptable return is achieved and that the future performance of the business is sustainable.

The Company continues to provide a high quality service and is continually reviewing the range of destinations it has available in order to ensure that the Company continues to meet changing market demands.

Financial risk

The Company's principal financial instruments are forward foreign exchange contracts, bank balances, trade creditors and trade debtors. The main purpose of these financial instruments is to maintain funds for the Company's operations.

Due to the nature of the financial instruments used by the Company, there is limited exposure to price risk. The Company's approach to managing other risks applicable to the financial instruments is shown below.

Liquidity risk

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of current accounts, deposit accounts and money market facilities.

Audley Travel Group Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Credit risk

The Company's principal financial assets are cash and trade debtors.

The Company does not have significant credit risk. All trade debtors must be settled prior to departure, minimising exposure to credit risk. All cash is held by banks with high credit ratings assigned by international credit rating agencies.

Approved by the Board of Directors and signed on behalf of the Board on 17 March 2016



Richard Kelman
Director

Audley Travel Group Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2015.

Going concern

The parent group continues to use external debt financing as part of a balanced capital structure. The payments of capital and interest on external senior debt facilities are funded by intercompany loans from the Company. The resulting loan balance from the Company to the group holding companies is expected to be settled from future Company dividends to the holding companies. Monthly cash flow forecasts have been prepared for the business to the end of 2020. These cash flows assume that the profitability of the trading company grows in accordance with the detailed business plan which has been approved by the board of directors.

Management propose cash flow forecasts that assume that all liabilities of the business are met in accordance with contractual terms.

Taking into account the trading of the Company, the directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements. Therefore they continue to adopt the going concern basis in preparing these financial statements.

Political and charitable contributions

The Company made charitable donations amounting to £37k (2014: £24k) to various international registered charities during the year. The Company made no political donations or incurred any political expenditure during the year (2014: £nil).

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Dividends

The results for the period are shown in the statement of income and retained earnings on page 9. During the year a non-cash dividend of £4,000k was paid (2014: £nil).

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal company meetings and the company newsletter. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interest.

Existence of branches outside the UK

The Company does not have any branches outside the UK as defined in section 1046(3) of the Companies Act 2006.

Audley Travel Group Limited

Directors' report (continued)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company'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 2006.

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of Deloitte LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by Atlas Bidco Limited as the immediate parent of the entity.

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



Richard Kelman
Director

17 March 2016

Audley Travel Group Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 FRS 102 "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 of the profit or loss of the company 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Audley Travel Group Limited

We have audited the financial statements of Audley Travel Group Limited for the year ended 31 December 2015 which comprise the statement of income and retained earnings, the balance sheet and the related notes 1 to 23. 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 FRS102 "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 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 company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on 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.

Independent auditor's report to the members of Audley Travel Group Limited

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants

Reading, United Kingdom

17 March 2016

Audley Travel Group Limited

Statement of income and retained earnings Year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Turnover	1,3	151,727	133,568
Cost of sales		(117,219)	(103,987)
Gross profit		34,508	29,581
Administrative expenses		(15,547)	(14,902)
Operating profit		18,961	14,679
Finance (costs)/ income	7	(1,007)	2,749
Profit on ordinary activities before taxation	4	17,954	17,428
Tax on profit on ordinary activities	8	(2,461)	(2,655)
Profit for the financial year		15,493	14,773
Retained earnings at the beginning of the year		43,453	30,446
Dividend paid in the year		(4,000)	-
Changes arising from FRS 102	23	-	(1,766)
Retained earnings at the end of the year		54,946	43,453

All results are derived from continuing activities.

The notes on pages 11 to 25 form part of these financial statements.

There are no recognised movements in comprehensive income or equity other than those presented in the statement of income and retained earnings and therefore no separate statement of comprehensive income or statement of changes in equity has been presented.

Audley Travel Group Limited

Balance sheet 31 December 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Intangible assets	9	544	18
Tangible assets	10	1,617	1,670
Investments	11	1	1
		<u>2,162</u>	<u>1,689</u>
Current assets			
Debtors	12	138,986	100,641
Cash at bank and in hand		22,725	29,901
		<u>161,711</u>	<u>130,542</u>
Creditors: amounts falling due within one year	13	<u>(108,761)</u>	<u>(88,612)</u>
Net current assets		<u>52,950</u>	<u>41,930</u>
Total assets less current liabilities		<u>55,112</u>	<u>43,619</u>
Capital and reserves			
Called up share capital	15	121	121
Share premium account		45	45
Profit and loss account		54,946	43,453
		<u>55,112</u>	<u>43,619</u>
Total shareholders' funds		<u>55,112</u>	<u>43,619</u>

The notes on pages 11 to 25 form an integral part of these financial statements.

The financial statements of Audley Travel Group Limited (registered number 03190720) were approved by the Board of Directors on 17 March 2016.

Signed on behalf of the Board of Directors



Richard Kelman
Director

Audley Travel Group Limited

Notes to the financial statements Year ended 31 December 2015

1. Accounting policies

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

1.1 General information and basis of accounting

Audley Travel Group Limited is a company limited by shares and incorporated in the United Kingdom under the Companies Act 2006.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council applicable in the United Kingdom and Republic of Ireland.

The functional currency of the Company is considered to be pound sterling because that is the currency of the primary economic environment in which the Company operates. Foreign operations are included in accordance with the policies presented below.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

1.2 Qualifying entity disclosure exemptions

The Company's parent undertaking, Atlas Holdco 1 Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Atlas Holdco 1 Limited are prepared in accordance with FRS 102, are available to the public and may be obtained from the address in note 22. In preparing these financial statements, the Company has taken advantage of the disclosure exemption for qualifying entities and has applied the exemptions available under FRS102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation

As the consolidated financial statements of Atlas Holdco 1 Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Basic financial instruments
- Other financial instrument issues

1.3 Changes in accounting policy

All changes to accounting policy in the year arise from the transition to FRS 102 and are discussed in note 23.

Audley Travel Group Limited

Notes to the financial statements (continued)

Year ended 31 December 2015

1. Accounting policies (continued)

1.4 Going concern

The parent group uses external debt financing as part of a balanced capital structure. The payments of capital and interest on external senior debt facilities are funded by intercompany loans from the Company and the resulting loan balance from the Company to the group holding companies is expected to be settled from any future Company dividends up to the holding companies. Monthly cash flow forecasts have been prepared for the business to the end of 2020. These cash flows assume that the profitability of the Company grows in accordance with the detailed business plan which has been approved by the board of directors.

Management propose cash flow forecasts that assume that all liabilities of the business are met in accordance with contractual terms.

Taking into account the trading of the Company, the directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements. Therefore they continue to adopt the going concern basis in preparing these financial statements.

1.5 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised at the point at which departure takes place.

1.6 Deferred revenue and related expenditure

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Costs incurred prior to the year end in respect of those services are also deferred until the date of customer departure and where paid are recognised as prepayments within debtors.

1.7 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at the balance sheet date. Foreign exchange differences arising on retranslation are recognised in the statement of income and retained earnings.

Audley Travel Group Limited

Notes to the financial statements (continued) Year ended 31 December 2015

1. Accounting policies (continued)

1.8 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(i) Investments

Investments in subsidiaries and associates are measured at cost less impairment.

(ii) Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

(iii) Fair value measurement

The only fair value measurement performed by the Company is over derivative foreign currency forward contracts. The fair value is measured by revaluing the contract to the foreign exchange rate ruling at the balance sheet date.

Audley Travel Group Limited

Notes to the financial statements (continued) Year ended 31 December 2015

1. Accounting policies (continued)

1.9 Intangible assets

Research and development

Expenditure on research activities is recognised in the statement of income and retained earnings as an expense as incurred.

Expenditure on development activities may be capitalised if:

- the product or process is technically and commercially feasible;
- the Company intends to and has the technical ability and sufficient resources to complete development;
- future economic benefits are probable, and
- the Company can measure reliably the expenditure attributable to the intangible asset during its development.

Other development expenditure is recognised in the statement of income and retained earnings as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation.

Other intangible assets

Other intangible assets, such as software licences, that are acquired by the Company are stated at cost less accumulated amortisation.

Amortisation

Amortisation is charged to the statement of income and retained earnings on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Internally developed intangibles	Straight-line	3 - 5 years
Software and software licences	Straight-line	3 - 5 years

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Intangible assets are tested for impairment in accordance with Section 27 *Impairment of assets* when there is an indication that an intangible asset may be impaired.

1.10 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged to the statement of income and retained earnings on a straight-line basis over the estimated useful lives. The estimated useful lives are as follows:

Fixtures and fittings	Straight-line	3 years
Office equipment	Straight-line	3 - 5 years
Building enhancements	Straight-line	5 years or the end of the lease

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits. The Company assesses at each reporting date whether tangible fixed assets are impaired.

Audley Travel Group Limited

Notes to the financial statements (continued) Year ended 31 December 2015

1. Accounting policies (continued)

1.11 Employee benefits

The Company operates a defined contribution pension scheme. A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of income and retained earnings in the periods during which services are rendered by employees. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance.

1.12 Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the statement of income and retained earnings on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income and retained earnings over the term of the lease as an integral part of the lease expense.

1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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. Timing differences are differences between the Company'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.

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 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.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company 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 Company 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.

Audley Travel Group Limited

Notes to the financial statements (continued) Year ended 31 December 2015

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 an ongoing 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.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

The Company recognises revenue based on the date of departure of the booking which, in the directors' judgement, is the most appropriate revenue base as this matches the point at which the service is performed.

Intangible assets

The directors use their judgement to determine the extent to which intangible assets have a value that will benefit the performance of the Company over future periods. Where it is demonstrable that an asset is expected to confer benefits in future periods, the asset is capitalised. After the initial capitalisation the directors, at least annually, undertake an assessment of the carrying value of the Company's intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

3. Turnover

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

4. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	Note	2015 £'000	2014 £'000
Amortisation of intangible assets	9	9	-
Impairment of intangible assets	9	-	51
Depreciation of tangible fixed assets	10	676	427
Operating lease rentals		685	606
		<u>1,370</u>	<u>1,084</u>

Audley Travel Group Limited

Notes to the financial statements (continued) Year ended 31 December 2015

5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £49k (2014: £33k).

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

6. Information regarding directors and employees

	2015 £'000	2014 £'000
Directors' remuneration		
Emoluments	987	844
Company contributions to money purchase pension schemes	24	22
	<u>351</u>	<u>322</u>
Remuneration of the highest paid director	351	322
Staff costs during the year (including directors' remuneration)		
Wages and salaries	12,782	11,069
Social security costs	1,219	803
Other pension costs	287	218
	<u>14,288</u>	<u>12,090</u>
Average number of persons employed (including directors)		
	Number	Number
Administrative	129	107
Sales	242	231
	<u>371</u>	<u>338</u>

7. Finance (costs)/ income

	2015 £'000	2014 £'000
Bank interest receivable	100	91
Interest on bonds and guarantees	(354)	(301)
Net foreign exchange (loss)/ gain	(753)	2,959
	<u>(1,007)</u>	<u>2,749</u>

Audley Travel Group Limited

Notes to the financial statements (continued) Year ended 31 December 2015

8. Tax on profit on ordinary activities

The tax charge comprises:

	2015 £'000	2014 £'000
Current tax		
UK Corporation tax	2,784	2,475
Adjustments in respect of prior periods	(333)	(184)
Total current tax	<u>2,451</u>	<u>2,291</u>
Deferred tax		
Origination and reversal of timing differences	12	371
Adjustments in respect of prior periods	(2)	(2)
Effect of changes in tax rates	-	(5)
Total deferred tax	<u>10</u>	<u>364</u>
Total tax on profit on ordinary activities	<u>2,461</u>	<u>2,655</u>

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

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	<u>17,954</u>	<u>17,428</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.50%)	3,636	3,747
Effects of:		
- Expenses not deductible for tax purposes	504	112
- Timing differences	-	(62)
- Utilisation of tax losses not previously recognised	(1,279)	(828)
- Adjustments to tax charge in respect of previous periods	(335)	(184)
- Adjustments to tax charge in respect of accounting policy changes	-	(442)
- Origination and reversal of timing differences	12	312
- Other	(77)	-
Total tax charge for period	<u>2,461</u>	<u>2,655</u>

The Finance Act 2013, which provides for reductions in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

There are no material recognised or unrecognised deferred tax assets or liabilities either in the current or prior year.

Audley Travel Group Limited

Notes to the financial statements (continued) Year ended 31 December 2015

9. Intangible fixed assets

	Assets under construction £'000	Software and licences £'000	Internally developed intangibles £'000	Total £'000
Cost				
At 1 January 2015	-	-	69	69
Additions	46	57	432	535
At 31 December 2015	46	57	501	604
Amortisation and impairment				
At 1 January 2015	-	-	51	51
Amortisation charge	-	3	6	9
At 31 December 2015	-	3	57	60
Net book value				
At 31 December 2015	46	54	444	544
At 31 December 2014	-	-	18	18

10. Tangible fixed assets

	Fixtures and fittings £'000	Office equipment £'000	Building enhancement £'000	Total £'000
Cost				
At 1 January 2015	739	1,232	594	2,565
Additions	130	434	85	649
Disposals	(166)	(296)	-	(462)
At 31 December 2015	703	1,370	679	2,752
Depreciation				
At 1 January 2015	237	553	105	895
Charge for the year	177	370	129	676
Disposals	(140)	(296)	-	(436)
At 31 December 2015	274	627	234	1,135
Net book value				
At 31 December 2015	429	743	445	1,617
At 31 December 2014	502	679	489	1,670

Audley Travel Group Limited

Notes to the financial statements (continued) Year ended 31 December 2015

11. Fixed assets investments

	Investments in subsidiary companies £'000
Cost	
At 1 January 2015	1
Additions	-
	<hr/>
At 31 December 2015	1
	<hr/>
Net book value	
At 31 December 2015	1
	<hr/> <hr/>
At 31 December 2014	1
	<hr/> <hr/>

Subsidiary undertakings

The following were directly held subsidiary undertakings of the Company.

Name	Incorporated	Principal activity	Class of shares	Holding %
African Journeys Limited	England & Wales	Dormant	Ordinary	100
Journeyfactory.com Limited	England & Wales	Dormant	Ordinary	100
Antelope Software Limited	England & Wales	Dormant	Ordinary	100

12. Debtors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade debtors	46,825	38,757
Amounts owed by group undertakings	77,347	52,222
Other debtors	1,764	2,044
Derivative financial assets (see note 17)	1,011	856
Prepayments and accrued income	12,039	6,762
	<hr/>	<hr/>
	138,986	100,641
	<hr/> <hr/>	<hr/> <hr/>

Audley Travel Group Limited

Notes to the financial statements (continued) Year ended 31 December 2015

13. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	5,664	2,716
Accruals and deferred income	99,774	83,277
Social security and other taxation	286	282
Employee benefit creditor	53	42
Other creditors	1,697	625
Derivative financial liabilities (see note 17)	424	189
Corporation tax creditor	650	1,278
Deferred tax liability	207	197
Amounts owed to subsidiary undertaking	6	6
	<u>108,761</u>	<u>88,612</u>

In the prior year, the group which Audley Travel Group Limited is a member of granted a floating charge on its assets to secure a bank loan of £22,000k held by Atlas Bidco Limited, another group company. This was released on 18 December 2015 when the bank loan (held by another company in the group) was fully repaid.

14. Deferred tax

Deferred tax is provided as follows:

Group	2015 £'000	2014 £'000
Accelerated capital allowances	101	73
Short term timing differences	106	124
Provision for deferred tax	<u>207</u>	<u>197</u>

15. Called up share capital

	2015 £'000	2014 £'000
Authorised, allotted and fully paid		
5,000,000 ordinary shares of £0.01 each	50	50
713,875 'E Group' ordinary shares of £0.10 each	71	71
	<u>121</u>	<u>121</u>

The ordinary and 'E Group' ordinary shares are separate classes of shares for the purpose of the declaration of dividends. The 'E Group' shares hold no voting rights. The ordinary and 'E Group' ordinary shares rank pari passu in all other respects.

Audley Travel Group Limited

Notes to the financial statements (continued) Year ended 31 December 2015

16. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension costs charge represents contributions payable by the Company to the fund and amounted to £287k (2014: £218k). Contributions totalling £53k (2014: £42k) were payable to the fund at the balance sheet date and are included in creditors.

17. Operating leases

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

	2015		2014	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within one year	515	192	515	76
Between one and five years	771	321	1,287	204
	<u>1,286</u>	<u>513</u>	<u>1,802</u>	<u>280</u>

18. Derivative financial instruments

	2015 £'000	2014 £'000
Forward foreign currency contracts		
Assets	1,011	856
Liabilities	(424)	(189)
	<u>587</u>	<u>667</u>

All forward foreign currency contracts will be delivered in the next 12 months and are valued using quoted forward exchange rates.

19. Contingent liabilities

Audley Travel Group Limited currently holds an Air Travel Organisers' Licence ('ATOL') issued by the Civil Aviation Authority ("CAA") and is an accredited agent of the International Air Transport Association ('IATA').

As at 31 December 2015, there were contingent liabilities in respect of counter indemnities and guarantees given by the Company, in the normal course of business, to banks in respect of CAA bonds amounting to £nil (2014: £18,000k). On the 18 December 2015 the bond was released as a result of the sale of Atlas Holdco 1 Limited.

Subsequent to the balance sheet date, in January 2016, Boketto Bidco Limited entered into a bond facility commitment as part of its refinancing negotiations, totalling £23,000k. At the same time a £5,000k charge was applied in favour of the CAA and it was agreed that a further charge of £5,000k would be provided in June 2016.

There are no other material contingent liabilities.

Audley Travel Group Limited

Notes to the financial statements (continued)

Year ended 31 December 2015

20. External regulatory requirements

The Company currently holds an Air Travel Organisers' Licence ('ATOL') issued by the Civil Aviation Authority ("CAA") and is an accredited agent of the International Air Transport Association ('IATA').

In order to offer air inclusive package holidays, Audley Travel Group Limited requires the annual renewal by the Civil Aviation Authority of its ATOL licence. The CAA awards this on the basis of meeting agreed financial criteria and renews this in March (effective 1 April) each year. Audley Travel Group Limited has complied with these requirements during the periods presented in these financial statements, and subsequent to 31 December 2015 to the date of signing these financial statements. The directors see no reason why the ATOL licence will not be renewed in March 2016 on substantially the same terms and conditions as currently agreed with the Civil Aviation Authority.

Audley Travel Group Limited also complies with the financial criteria requirements of IATA.

21. Related party transactions

As a wholly owned subsidiary undertaking of Atlas Holdco 1 Limited, the Company has taken advantage of the exemption in FRS 102 33.1A from disclosing transactions with other members of the group.

During the year the Company was charged rent and service charges of £245k (2014: £245k) by Brecon LLP, a limited liability partnership of John Brewer and Craig Burkinshaw (both directors of Atlas Holdco 1 Limited during the period). At the year end, the Company was owed £52k (2014: £52k) by Brecon LLP.

22. Ultimate parent undertaking and controlling party

The Company is a subsidiary undertaking of Boketto Holdco Limited. The ultimate controlling party is 3i Group plc.

The largest group in which the results of the Company are consolidated is that headed by Atlas Holdco 1 Limited, incorporated in Jersey. The consolidated financial statements of this group are available to the public and may be obtained from New Mill, New Mill Lane, Witney, Oxfordshire, OX29 9SX.

On 18 December 2015 100% of the share capital of Atlas Holdco 1 Limited (the ultimate parent company at that point) was purchased by Boketto Bidco Limited, a wholly owned subsidiary of Boketto Holdco Limited which is controlled by 3i Group plc and incorporated in the United Kingdom.

23. 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 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard:

Derivative contracts

Derivative foreign exchange forward contracts were previously held off balance sheet (though disclosed in the notes to the financial statements) but under FRS 102 are now held on balance sheet at fair value through profit and loss. The net gain or loss for the year is recognised in finance costs.

The fair value gains and losses on the forward contracts are not allowable for tax purposes until the contract matures and therefore a deferred tax asset/ liability is recognised in relation to the gain or loss in each period.

Audley Travel Group Limited

Notes to the financial statements (continued) Year ended 31 December 2015

23. Explanation of transition to FRS 102 (continued)

Cash flow hedging

Previously, the Company applied hedge accounting to financial assets and liabilities held in foreign currencies. The requirements of FRS 102 in order to apply hedge accounting would impose an excessive administrative burden on the Company and therefore the Company will no longer apply hedge accounting. Instead, the derivative contracts will be held on balance sheet at fair value, and the financial assets and liabilities will be revalued to the year end spot rate with the net gain or loss recognised through the statement of income and retained earnings in finance costs.

Reconciliation of equity

	At 1 January 2014 £'000	At 31 December 2014 £'000
Equity reported under previous UK GAAP	30,612	43,402
Effect of opening equity adjustments from prior year	-	(1,766)
Equity reported under FRS 102	<u>30,612</u>	<u>41,636</u>
Adjustments to equity on transition to FRS 102		
Movement in derivative forward contracts	(893)	1,560
Deferred tax asset/ (liability) arising on movement in derivative forward contracts	179	(312)
<i>Retranslation of financial instruments:</i>		
Creditors and other payables	(1,046)	892
Amounts owed to group undertakings	(6)	(157)
	<u>(1,766)</u>	<u>1,983</u>
Equity reported under FRS 102	<u>28,846</u>	<u>43,619</u>

Audley Travel Group Limited

Notes to the financial statements (continued) Year ended 31 December 2015

23. Explanation of transition to FRS 102 (continued)

Reconciliation of profit for the year ended 31 December 2014

	£'000
Profit for the financial year under previous UK GAAP	12,790
<i>Movement in fair value of forward contracts:</i>	
Net gain on forward contracts	1,560
Deferred tax charge from gain on forward contracts	(312)
<i>Gain/(loss) on retranslation of financial instruments:</i>	
Creditors and other payables	894
Amounts owed to group undertakings	(158)
Debtors and other receivables	(1)
	<u>1,983</u>
Profit for the financial year under FRS 102	<u>14,773</u>