

**AUDLEY TRAVEL GROUP LIMITED**

**Report and Financial Statements**

**for the year ending 31 December 2013**



# **AUDLEY TRAVEL GROUP LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2013**

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# **AUDLEY TRAVEL GROUP LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

C Mantel  
R Prosser  
I Simkins  
R Kelman (appointed 4 January 2013)

### **COMPANY NUMBER**

3190720

### **REGISTERED OFFICE**

The New Mill  
New Mill Lane  
Witney  
Oxfordshire  
OX29 9SX

### **BANKERS**

Barclays Bank Plc  
United Kingdom House  
7<sup>th</sup> 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 net profit increases as we become larger.

Profit for the year was £12.7 million (2012: £11.7 million), 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 2013 with £21.1 million of cash (2012: £37.1 million) the Company has provided £30.0 million of cash to the parent group in order to enable early repayment of part of the group's external financing.

### ANALYSIS BASED ON KEY PERFORMANCE INDICATORS

The key performance indicators are as follows:

	2013	2012 (As restated)
Turnover	£109,186,000	£82,515,000
Gross profit margin	22.93%	22.71%
Current ratio	1.42	1.32

The classification of certain costs within the profit and loss account was reconsidered in the year, to ensure a treatment in line with that adopted by similar companies in the industry. Accordingly, the gross margin is stated on the revised basis, and the prior year comparatives have been restated to be presented on a consistent basis.

### 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 adequate return is achieved and the future performance of the business is sustainable.

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

#### Financial Risk

The Company's principal financial instruments comprise of 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 no 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, deposit accounts and money market facilities.

**STRATEGIC REPORT (Continued)**

**Credit Risk**

The Company's principal financial instruments comprise of forward foreign exchange contracts, bank balances, trade creditors, trade debtors and loans to parent group companies. 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 no exposure to price risk with suppliers. The Company's approach to managing other risks applicable to the financial instruments is shown below.

In respect of foreign exchange payments, the Company buys forward exchange contracts to match against future foreign exchange liabilities to mitigate the effects of unplanned exchange rate fluctuations.

Trade debtors are managed by the regular monitoring of amounts outstanding. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Approved by the Board of Directors and signed on behalf of the Board on 28 March 2014



R Kelman  
Director

## **DIRECTORS' REPORT**

### **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 will be settled from any future Company dividends up to the holding companies. Monthly cash flow forecasts have been prepared for the business going forward to the end of 2015. 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 going forward are met in accordance with contractual terms.

Taking into account the trading of the Company, the directors have a reasonable expectation that the Company have 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 £11,842 (2012: £6,519) to various international registered charities during the year.

### **DIVIDENDS**

The results for the period are shown in the profit and loss account on page 7. The directors recommend that no dividend is to be paid (2012: £1,531,000).

### **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 Group continues and that appropriate training is arranged. It is the policy of the Group and 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 Group 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 Group and 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.

# AUDLEY TRAVEL GROUP LIMITED

## DIRECTORS' REPORT (Continued)

### 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). 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.

### PROVISION OF INFORMATION TO 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 he ought to have taken as a director in order to make himself 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.

Deloitte LLP have expressed their willingness to continue in office as auditor of the company. A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board on 28 March 2014



R Kelman

Director

# AUDLEY TRAVEL GROUP LIMITED

## 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 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

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

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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 and Statutory Auditor  
Reading, United Kingdom

28 March 2014

# AUDLEY TRAVEL GROUP LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2013

	Note	2013 £'000	2012 (as restated) £'000
<b>TURNOVER</b>	1,2	109,186	82,515
Cost of sales	3	(84,155)	(63,778)
<b>Gross profit</b>		25,031	18,737
Administration expenses		(10,067)	(6,666)
<b>OPERATING PROFIT</b>	4	14,964	12,071
Interest receivable and similar income	6	221	195
Interest payable and similar charges	7	(295)	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		14,890	12,266
Tax on profit on ordinary activities	8	(2,240)	(576)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	15,16	12,650	11,690

All results are derived from continuing activities.

The notes on pages 9 to 19 form part of these financial statements.

There are no recognised gains and losses other than those presented in the profit and loss statement, therefore no separate statement of recognised gains and losses has been presented.

# AUDLEY TRAVEL GROUP LIMITED

## BALANCE SHEET

As at 31 December 2013

	Note	2013 £'000	2012 £'000
<b>FIXED ASSETS</b>			
Intangible assets	9	56	-
Tangible assets	10	597	363
Investments	11	1	1
		<u>654</u>	<u>364</u>
<b>CURRENT ASSETS</b>			
Debtors	12	80,823	35,579
Cash at bank and in hand		21,087	37,094
		<u>101,910</u>	<u>72,673</u>
<b>CREDITORS: amounts falling due within one year</b>	13	(71,952)	(55,075)
<b>NET CURRENT ASSETS</b>		<u>29,958</u>	<u>17,598</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS</b>		<u>30,612</u>	<u>17,962</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	121	121
Share premium account	15	45	45
Profit and loss account	15	30,446	17,796
<b>TOTAL SHAREHOLDERS' FUNDS</b>	16	<u>30,612</u>	<u>17,962</u>

The company registration number is 3190720.

These financial statements were approved by the Board of Directors and authorised for issue on 28 March 2014

Signed on behalf of the Board of Directors



R KELMAN

Director

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2013**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and on the assumption that the company is a going concern. The financial statements have been prepared with consistency to prior periods with the exception of the recognition of additional directly related sales costs within the gross profit calculation and change in accounting policy for the depreciation of fixed assets.

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The company is exempt from the requirements of FRS 1 to present a cash flow as it is a wholly owned subsidiary of Atlas Holdco 1 Limited who prepared consolidated financial statements which are wholly available.

**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 will be settled from any future Company dividends up to the holding companies. Monthly cash flow forecasts have been prepared for the business going forward to the end of 2015. 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 going forward are met in accordance with contractual terms.

Taking into account the trading of the Company, the directors have a reasonable expectation that the Company have 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.

**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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2013**

**1. ACCOUNTING POLICIES (Continued)**

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation.

The depreciation policy has changed from reducing balance to straight line from 1 January 2013, the directors consider this change to be a more appropriate basis to correctly represent the useful life of the assets held on the company balance sheet. The impact is not considered material.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures and fittings	Straight line	33%
Office equipment	Straight line	33%
Building Enhancements	Straight line	33%

**Intangible Fixed Assets**

Research expenditure is written off as incurred. Development expenditure is also 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. Provision is made for any impairment.

The costs are related to the development of operations software. Implementation is expected to occur during 2014, from which date the related costs will be written off over 5 years.

**Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

**Operating leases**

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

**Pensions**

The company operates a defined contribution pension scheme. For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Forward foreign exchange contracts and hedging activities**

The company enters into forward foreign exchange contracts to hedge against the company's purchases denominated in foreign currencies. The forward foreign exchange contracts are not held or issued for speculative purposes. Further details of forward foreign exchange contracts in use at the period end is given in note 20 below.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2013**

**2. TURNOVER**

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

**3. COST OF SALES RESTATEMENT**

During the year the directors have reconsidered the classification of certain costs within the profit and loss account taking into account the treatment adopted by similar companies in the industry. As a result certain costs have been reallocated from administration expenses to cost of sales. The table below sets out the impact on the profit and loss account. There has been no change to revenue, operating profit or net assets as a result. The prior year comparatives have been restated to be presented on a consistent basis.

	<b>31 December 2013 £000</b>	<b>31 December 2012 £000</b>
Cost of sales, as previously stated	77,664	59,240
Reclassification	6,491	4,538
Cost of sales, as stated	<u>84,155</u>	<u>63,778</u>
Administration expenses, as previously stated	16,558	11,204
Reclassification	(6,491)	(4,538)
Administration expenses, as stated	<u>10,067</u>	<u>6,666</u>

**4. OPERATING PROFIT**

**Operating profit is stated after charging:**

	<b>31 December 2013 £'000</b>	<b>31 December 2012 £'000</b>
Depreciation of tangible fixed assets		
- owned by the company	377	99
Operating lease rentals		
- other operating leases	400	272
Difference on foreign exchange	414	(70)
Fees payable to the company's auditor for the audit of the company's annual financial statements	22	22
Fees payable to the company's auditor and its associates in respect of:		
- other services relating to taxation	<u>25</u>	<u>5</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2013**

**5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
<b>Directors' remuneration</b>		
Emoluments	558	522
Remuneration of the highest paid director	248	385
<b>Staff costs during the year (including directors' remuneration)</b>		
Wages and salaries	8,337	6,691
Social security costs	941	566
Other pension costs	78	74
	<u>9,356</u>	<u>7,331</u>
	<b>Number</b>	<b>Number</b>
<b>Average number of persons employed (including directors)</b>		
Administrative	83	66
Sales	173	135
	<u>256</u>	<u>201</u>

**6. INTEREST RECEIVABLE**

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
Bank interest receivable	<u>221</u>	<u>195</u>

**7. INTEREST PAYABLE**

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
Interest on bonds and guarantees	<u>295</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2013**

**8. TAX ON PROFIT ON ORDINARY ACTIVITIES**

<b>a) Analysis of tax charge in the year</b>	<b>2013 £'000</b>	<b>2012 £'000</b>
<b>Current tax</b>		
United Kingdom corporation tax at 23.25 % (2012: 24.5%) based on the profit for the year	2,236	450
Adjustments in respect of prior periods	(9)	126
<b>Total current tax</b>	<b>2,227</b>	<b>576</b>
<b>Deferred Tax</b>		
Adjustments in respect of prior periods	22	-
Deferred tax credit	(9)	-
<b>Total deferred tax</b>	<b>13</b>	<b>-</b>
<b>Total tax on profit on ordinary activities (see 7b)</b>	<b>2,240</b>	<b>576</b>

**b) Factors affecting the tax charge for the year**

The effective rate of tax for the year is lower than the UK standard rate of corporation tax of 23.25% (2012: 24.50%). The differences are explained below:

	<b>2013 £'000</b>	<b>2012 £'000</b>
Profit on ordinary activities before tax	14,890	12,266
Tax on profit on ordinary activities at standard rate 23.25% (2012: 24.50%)	3,461	3,005
<b>Effects of:</b>		
Expenses not deductible for tax purposes	158	(1,592)
Capital allowances for the year in excess of depreciation	3	(1)
Utilisation of tax losses	(1,386)	(962)
Adjustments to tax charge in respect of prior period	(9)	126
<b>Current tax charge for the year (see 7a)</b>	<b>2,227</b>	<b>576</b>

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2013**

**9. INTANGIBLE FIXED ASSETS**

	Software development £'000
<b>Cost or valuation</b>	
At 1 January 2013	-
Additions	56
	<hr/>
At 31 December 2013	56
	<hr/>
<b>Net book value</b>	
At 1 January 2013	-
	<hr/>
At 31 December 2013	56
	<hr/>

Research expenditure is written off as incurred. Development expenditure is also 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. Provision is made for any impairment.

The costs are related to the development of operations software. Implementation is expected to occur during 2014, from which date the related costs will be written off over 5 years.

**10. TANGIBLE FIXED ASSETS**

	Bikes £'000	Fixtures and fittings £'000	Office equipment £'000	Building enhancement £'000	Total £'000
<b>Cost</b>					
At 1 January 2013	4	308	765	-	1,077
Additions	14	190	256	162	622
Disposals	(4)	(149)	(481)	-	(634)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	14	349	540	162	1,065
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 January 2013	-	183	531	-	714
Charge for the year	-	91	270	16	377
Disposals	-	(142)	(481)	-	(623)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	-	132	320	16	468
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 December 2013	14	217	220	146	597
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	4	125	234	-	363
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2013**

**11. FIXED ASSETS INVESTMENTS**

	<b>Investments in subsidiary companies £'000</b>
<b>Cost</b>	
At 1 January 2013	1
Additions	-
	<hr/>
At 31 December 2013	1
	<hr/>
<b>Net book value</b>	
At 31 December 2013	1
	<hr/>
At 1 December 2012	1
	<hr/>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company.

<b>Name</b>	<b>Incorporated</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holdings %</b>
African Journeys Limited	England & Wales	Dormant	Ordinary	100
Journeyfactory com Limited	England & Wales	Dormant	Ordinary	100
Antelope Software Limited	England & Wales	Dormant	Ordinary	100

The aggregate of the share capital and reserves as at 31 December 2013 and the profit or loss for the year then ended on that date for the subsidiary undertakings were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves £'000</b>	<b>Profit/ (loss) £'000</b>
African Journeys Limited	2	-
Journeyfactory com Limited	1	-
Antelope Software Limited	-	-
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2013**

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	31,006	23,314
Amounts owed by group undertakings	41,323	2,845
Corporation tax debtor	-	3,439
Other debtors	1,148	1,376
Prepayments and accrued income	7,346	4,605
	<u>80,823</u>	<u>35,579</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	2,213	2,908
Amounts owed to subsidiary undertaking	1	1
Social security and other taxation	264	190
Corporation tax creditor	1,064	-
Other creditors	26	-
Accruals and deferred income	68,384	51,976
	<u>71,952</u>	<u>55,075</u>

The Group which Audley Travel Group Limited is a member of, has granted a floating charge on its assets to secure a bank loan of £19m held by Atlas Bidco Limited, another group Company.

**14. CALLED UP SHARE CAPITAL**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised, allotted and fully paid</b>		
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 parri passu in all other respects.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2013**

**15. RESERVES**

	Share premium account £'000	Profit and loss account £'000
At 1 January 2013	45	17,796
Profit for the year	-	12,650
	<u>45</u>	<u>30,446</u>
At 31 December 2013	<u>45</u>	<u>30,446</u>

**16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2013 £'000	2012 £'000
Profit for the financial year	12,650	11,690
403,875 'E' ordinary shares issued	-	85
Dividends paid on equity shares	-	(1,531)
Opening shareholders' funds	17,962	7,718
	<u>30,612</u>	<u>17,962</u>
Closing shareholders' funds	<u>30,612</u>	<u>17,962</u>

**17. DIVIDENDS**

	2013 £'000	2012 £'000
Dividends paid on equity capital	-	1,531
	<u>-</u>	<u>1,531</u>

**18. PENSION COMMITMENTS**

The company operates a defined contributions 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 £78,000 (2012: £74,000). Contributions totalling £30,000 (2012: £14,000) were payable to the fund at the balance sheet date and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2013**

**19. OPERATING LEASE COMMITMENTS**

At 31 December 2013, the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Expiry date:				
Between 2 and 5 years	245	245	76	20

**20. FINANCIAL INSTRUMENTS**

**Forward foreign exchange contracts**

The Company has derivatives which are not included at fair value in the financial statements:

	<b>Principal</b>		<b>Fair value</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Forward foreign exchange contracts	21,917,109	18,581,855	(692,210)	(276,272)

The Company uses the derivatives to hedge its exposures to changes in foreign currency exchange rates. The fair values are based on market values of equivalent instruments at the balance sheet date.

**21. CONTINGENT LIABILITIES**

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

As at 31 December 2013, 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 £18,000,000 (2012 - £nil).

The Company has provided a guarantee to Barclays Bank plc in respect of a £19m loan held by Atlas Bidco Limited, another group company

There are no other material contingent liabilities.

**22. EXTERNAL REGULATORY REQUIREMENTS**

The Company currently holds an Air Travel Organisers' Licences ('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 2013 to the date of signing these financial statements. The directors see no reason why the ATOL licence will not be renewed in March 2014 on 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.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2013**

**23. RELATED PARTY TRANSACTIONS**

As a subsidiary undertaking of Atlas Holdco 1 Limited, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group.

During the year the company was charged rent and service charges of £245,000 (2012: £255,000) by Brecon LLP, a limited liability partnership, a partnership of John Brewer and Craig Burkinshaw (both directors of Atlas Holdco 1 Limited). At the year end, the company owed Brecon LLP £Nil (2012: £Nil).

In the period, the loan of £20,000 was repaid by R Kelman (a director of the company) in full.

**24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The parent undertaking is Atlas Bidco Limited (a Jersey registered company). The ultimate controlling party is a group of funds managed by Equistone Partners Europe Limited.

Atlas Holdco 1 Limited is the parent company of the largest group of which the Company is a member and Atlas Holdco 3 Limited is the parent of the smallest group for which group financial statements are drawn up. Copies are available from The New Mill, New Mill Lane, Witney, Oxfordshire, OX29 9SX.