Company Registration No. 07729569 (England and Wales)

Arizonaco Limited

Annual Report And Financial Statements

For The Year Ended 31 March 2016

ARIZONACO LIMITED

COMPANY INFORMATION

Directors	Mr A F Webster Mr I C Wotton Mr M W Bowers Mr G N Hopwood Mr A S Shawe Mrs C S Webster Ms S Dukes Ms V F Pollard Ms K F Wimpeney
Secretary	Ms V F Pollard
Company number	07729569
Registered office	Shire House Humbolt Street Bradford BD1 5HQ
Auditors	Garbutt & Elliott Audit Limited 33 Park Place Leeds LS1 2RY

ARIZONACO LIMITED

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ARIZONACO LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016

The directors present the strategic report and financial statements for the year ended 31 March 2016.

The year ended 31 March 2016 is the company's first year in which it has complied with the requirements of FRS 102. No transitional adjustments arose from the transition to this new accounting standard.

Fair review of the business
The directors are satisfied with the groups performance in the year and the financial position at the balance sheet date and are optimistic about the future of the group. The current rate of growth is attributable to the trading groups strategic re-alignment in its current market and subsequent contract wins that will ensure that success will continue for many years.

Principal risks and uncertainties
The key business risks and uncertainties affecting the group are considered to relate to competition from other travel management companies.

Key performance indicators
Given the straightforward nature of the business, the directors are of the opinion that further analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Financial risk management
The group does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to a price risk or liquidity risk.

Development and performance
The directors aim to continue their expansion in existing markets through organic growth.

On behalf of the board

Ian Wotton

Mr I C Wotton
Director
30/7/16

ARIZONACO LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016

The directors present their annual report and financial statements for the year ended 31 March 2016.

Principal activities
The principal activity of the company is that of a holding company.

The principal activity of the group is that of travel management.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A F Webster
Mr I C Wotton
Mr M W Bowers
Mr G N Hopwood
Mr A S Shawe
Mrs C S Webster
Ms S Dukes
Ms V F Pollard
Ms K F Wimpeney

Results and dividends
The results for the year are set out on page 5.

The directors do not recommend payment of an Ordinary dividend.

The directors recommend that the retained profit of £3,018,145 be taken to reserves.

Auditors
The auditors, Garbutt & Elliott Audit Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditors
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

Ian Wotton
....
Mr I C Wotton
Director
30/7/16
....

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

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 group and company, 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, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ARIZONACO LIMITED

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARIZONACO LIMITED

We have audited the financial statements of Arizonaco Limited for the year ended 31 March 2016 set out on pages 5 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), including Financial Reporting Standard 102.

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 auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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
A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2016 and of its loss 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 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.

Garbutt & Elliott Audit Limited

Mr Richard Green (Senior Statutory Auditor)
for and on behalf of Garbutt & Elliott Audit Limited

8 August 2016

Chartered Accountants
Statutory Auditor

33 Park Place
Leeds
LS1 2RY

ARIZONACO LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Year ended 31 March 2016 £	Period ended 31 March 2015 £
Turnover	3	252,194,442	174,755,824
Cost of sales		(244,345,519)	(169,384,479)
Gross profit		7,848,923	5,371,345
Distribution costs		(192,610)	(181,795)
Administrative expenses		(3,499,150)	(2,089,042)
Operating profit	4	4,157,163	3,100,508
Interest receivable and similar income	8	356	231
Interest payable and similar charges	9	(55,697)	(54,049)
Profit before taxation		4,101,822	3,046,690
Taxation	10	(1,083,677)	(830,443)
Profit for the financial year		3,018,145	2,216,247

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ARIZONACO LIMITED

GROUP BALANCE SHEET
AS AT 31 MARCH 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Goodwill	11		10,536,048		11,813,145
Tangible assets	12		642,307		842,903
			11,178,355		12,656,048
Current assets					
Stocks	15	500		500	
Debtors	16	20,999,255		18,252,425	
Cash at bank and in hand		116,262		900,474	
		21,116,017		19,153,399	
Creditors: falling due within one year	17	(19,242,940)		(17,300,652)	
Net current assets			1,873,077		1,852,747
Total assets less current liabilities			13,051,432		14,508,795
Creditors: amounts falling due after more than one year	18		-		(1,800,000)
Net assets			13,051,432		12,708,795
Capital and reserves					
Called up share capital	21		6,899,590		9,575,098
Share premium account			917,450		917,450
Profit and loss reserves			5,234,392		2,216,247
Equity attributable to owners of the parent company			13,051,432		12,708,795

The financial statements were approved by the board of directors and authorised for issue on 30 JULY 2016
and are signed on its behalf by:

Ian Wotton

Mr I C Wotton
Director

ARIZONACO LIMITED

COMPANY BALANCE SHEET
AS AT 31 MARCH 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Investments			15,943,320		15,943,320
			15,943,320		15,943,320
Current assets					
Cash at bank and in hand		18,068		8,828	
Creditors: falling due within one year	17	(768,337)		(38,760)	
Net current liabilities			(750,269)		(29,932)
Total assets less current liabilities			15,193,051		15,913,388
Creditors: amounts falling due after more than one year	18		-		(1,800,000)
Net assets			15,193,051		14,113,388
Capital and reserves					
Called up share capital	21		6,899,590		9,575,098
Share premium account			917,450		917,450
Profit and loss reserves			7,376,011		3,620,840
Total equity			15,193,051		14,113,388

The financial statements were approved by the board of directors and authorised for issue on 30 JULY 2016 and are signed on its behalf by:

Ian Wotton

Mr I C Wotton
Director

Company Registration No. 07729569

ARIZONACO LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2014		1	-	-	1
Period ended 31 March 2015:					
Profit and total comprehensive income for the year		-	-	2,216,247	2,216,247
Issue of share capital	21	10,200,099	917,450	-	11,117,549
Redemption of shares	21	(625,002)	-	-	(625,002)
Balance at 31 March 2015		9,575,098	917,450	2,216,247	12,708,795
Period ended 31 March 2016:					
Profit and total comprehensive income for the year		-	-	3,018,145	3,018,145
Redemption of shares	21	(2,675,508)	-	-	(2,675,508)
Balance at 31 March 2016		6,899,590	917,450	5,234,392	13,051,432

ARIZONACO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2014		1	-	-	1
Period ended 31 March 2015:					
Profit and total comprehensive income for the year		-	-	3,620,840	3,620,840
Issue of share capital	**21**	10,200,099	917,450	-	11,117,549
Redemption of shares	**21**	(625,002)	-	-	(625,002)
Balance at 31 March 2015		9,575,098	917,450	3,620,840	14,113,388
Period ended 31 March 2016:					
Profit and total comprehensive income for the year		-	-	3,755,171	3,755,171
Redemption of shares	**21**	(2,675,508)	-	-	(2,675,508)
Balance at 31 March 2016		6,899,590	917,450	7,376,011	15,193,051

ARIZONACO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities					
Cash generated from operations	27		4,253,356		4,002,644
Interest paid			(55,697)		(54,049)
Income taxes paid			(1,278,107)		(152,336)
Net cash inflow from operating activities			2,919,552		3,796,259
Investing activities					
Purchase of tangible fixed assets		(94,862)		(28,699)	
Proceeds on disposal of tangible fixed assets		135,000		-	
Purchase of subsidiaries		-		(13,492,931)	
Interest received		356		231	
Net cash generated from/(used in) investing activities			40,494		(13,521,399)
Financing activities					
Proceeds from issue of shares		-		11,117,549	
Purchase of own shares		(2,675,508)		(625,002)	
Repayment of borrowings		(1,068,750)		-	
Net cash (used in)/generated from financing activities			(3,744,258)		10,492,547
Net (decrease)/increase in cash and cash equivalents			(784,212)		767,407
Cash and cash equivalents at beginning of year			900,474		1
Cash and cash equivalents at end of year			116,262		767,408

1 Accounting policies

Company information

Arizonaco Limited ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is A.I.T. House, PO Box 964, 16 Eldon Place, Bradford, West Yorkshire, BD1 3AZ.

The Group consists of Arizonaco Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

These group and company financial statements are the first financial statements of Arizonaco Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £3,755,171 (2015 - £3,620,840 profit).

The Company has taken advantage of the transitional exemptions offered by section 35.10(a) of FRS 102 which permits it not to restate its business combinations on the grounds that these all predate the Company's date of transition to FRS 102. The directors have not attempted to quantify the adjustment that would have taken place had this exemption not been utilised.

1 Accounting policies **(Continued)**

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Arizonaco Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2016.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover represents amounts receivable for bookings, which are net of VAT unless the turnover is not the company's VAT to recover and charge. Turnover is recognisable at the time of booking.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

Subsidiary undertakings are accounted for using the acquisition method of accounting from the effective date of acquisition and until the effective date of disposal.

Goodwill on acquisition, being the excess of the fair value of the purchase consideration over the fair value of the new assets acquires, is capitalised and charged to the profit and loss account on a systematic basis over its estimated useful economic life of 10 years.

1 Accounting policies **(Continued)**

1.6 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold buildings	5% straight line
Leasehold improvements	10% straight line
Plant and machinery	30%/33.3%/50% straight line
Fixtures, fittings and equipment	15% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1 Accounting policies **(Continued)**

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

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 profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1 Accounting policies **(Continued)**

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

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities
Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

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

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

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

1 Accounting policies **(Continued)**

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.16 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors have not identified any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying value amount of assets and liabilities.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2016 £	2015 £
Turnover		
Rail bookings	145,922,370	101,870,508
Hotel bookings	85,157,895	57,161,336
Airline bookings	21,879,564	16,881,820
Coach, ferry, car hire, taxi & motorail bookings	1,678,422	1,267,329
Other bookings	1,158,323	536,824
Discounts	(3,602,132)	(2,961,993)
	252,194,442	174,755,824

Other significant revenue		
Interest income	356	231

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	252,194,442	174,755,824

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(142)	-
Depreciation of owned tangible fixed assets	160,949	217,083
Gain on diposal of tangible fixed assets	(491)	-
Amortisation of intangible assets	1,277,097	957,822
Operating lease charges	51,624	-

5 Auditors' remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	-	-
Audit of the company's subsidiaries	8,100	9,000

The group and company's audit fees are borne by the trading subsidiary.

6 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2016 Number	2015 Number
Administration	112	106

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	2,878,289	2,080,554
Social security costs	234,652	230,517
Pension costs	85,255	128,250
	3,198,196	2,439,321

7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	666,909	627,558
Company pension contributions to defined contribution schemes	80,200	89,250
	747,109	716,808

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2016 £	2015 £
Remuneration for qualifying services	105,583	87,306
Company pension contributions to defined contribution schemes	240	40,000
	105,823	127,306

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2015 - 3).

8 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	356	231

8 Interest receivable and similar income **(Continued)**

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	356	231

9 Interest payable and similar charges

	2016	2015
	£	£
Interest on financial liabilities measured at amortised cost:		
Other interest	55,697	54,049

10 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	1,083,677	825,549
Adjustments in respect of prior periods	-	4,894
Total current tax	1,083,677	830,443

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2016	2015
	£	£
Profit before taxation	4,101,822	3,046,690
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	820,364	639,805
Adjustments in respect of prior years	-	4,894
Permanent capital allowances in excess of depreciation	7,869	17,209
Research and development tax credit	-	(9,789)
Other tax adjustments	255,444	178,324
Tax expense for the year	1,083,677	830,443

11 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 April 2015 and 31 March 2016	12,770,967
Amortisation and impairment	
At 1 April 2015	957,822
Amortisation charged for the year	1,277,097
At 31 March 2016	2,234,919
Carrying amount	
At 31 March 2016	10,536,048
At 31 March 2015	11,813,145

The company had no intangible fixed assets at 31 March 2016 or 31 March 2015.

12 Tangible fixed assets

Group	Freehold buildings	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2015	624,489	218,769	561,565	493,372	1,898,195
Additions	-	2,871	18,599	73,392	94,862
Disposals	(150,000)	(42,839)	-	(5,690)	(198,529)
At 31 March 2016	474,489	178,801	580,164	561,074	1,794,528
Depreciation and impairment					
At 1 April 2015	87,856	101,555	487,789	378,092	1,055,292
Depreciation charged in the year	28,099	17,603	50,857	64,390	160,949
Eliminated in respect of disposals	(25,625)	(32,705)	-	(5,690)	(64,020)
At 31 March 2016	90,330	86,453	538,646	436,792	1,152,221
Carrying amount					
At 31 March 2016	384,159	92,348	41,518	124,282	642,307
At 31 March 2015	536,633	117,214	73,776	115,280	842,903

The company had no tangible fixed assets at 31 March 2016 or 31 March 2015.

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct	Indirect
A.I.T. Travel Limited	England and Wales	Dormant	Ordinary	100.00	
Alpha-Omega (Travel) Limited	England and Wales	Dormant	Ordinary		100.00
Redfern Travel Limited	England and Wales	Travel management	Ordinary		100.00

Alpha-Omega (Travel) Limited is wholly owned by A.I.T Travel Limited, and Redfern Travel Limited is wholly owned by Alpha-Omega (Travel) Limited.

14 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	19,890,329	17,401,746	-	-
Equity instruments measured at cost less impairment	-	-	15,943,320	15,943,320
Carrying amount of financial liabilities				
Measured at amortised cost	18,694,545	18,358,838	765,607	1,836,449

15 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Consumables	500	500	-	-

16 Debtors

Amounts falling due within one year:	Group 2016 £	2015 £	Company 2016 £	2015 £
Trade debtors	19,736,153	17,392,918	-	-
Other debtors	48,578	8,687	-	-
Prepayments and accrued income	1,214,524	850,820	-	-
	20,999,255	18,252,425	-	-

17 Creditors: falling due within one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Loans and overdrafts	19	731,250	-	731,250	-
Corporation tax payable		483,677	678,107	2,730	2,311
Other taxation and social security		64,718	63,707	-	-
Trade creditors		16,982,075	15,792,686	-	-
Amounts due to fellow group undertakings		-	-	32,898	32,898
Other creditors		554,122	137,193	1,459	3,551
Accruals and deferred income		427,098	628,959	-	-
		19,242,940	17,300,652	768,337	38,760

Loan notes are secured via a cross-company guarantee.

18 Creditors: amounts falling due after more than one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Loans and overdrafts	19	-	1,800,000	-	1,800,000

Loan notes are secured via a cross-company guarantee.

19 Loans and overdrafts

	Group 2016 £	2015 £	Company 2016 £	2015 £
Loan notes	731,250	1,800,000	731,250	1,800,000
Payable within one year	731,250	-	731,250	-
Payable after one year	-	1,800,000	-	1,800,000

Loan notes are secured via a cross-company guarantee.

Interest is charged at 3.5% above the published base rate of The Royal Bank of Scotland Plc. If the company fails to pay any noteholder any amount due, the company shall pay an additional 3% of interest as long as the amount remains unpaid.

The loans are fully repayable in April 2019, but the year end liability is expected to be repaid within the next 12 months.

20 Retirement benefit schemes

	2016	2015
Defined contribution schemes	**£**	**£**

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Charge to profit and loss in respect of defined contribution schemes	85,255	128,250

21 Share capital

	Group and company	
	2016	2015
Ordinary share capital	**£**	**£**
Issued and fully paid		
100 A Ordinary shares of £1 each	100	100
6,899,490 C Non-voting shares of £1 each	6,899,490	9,574,998
	6,899,590	9,575,098

During the year, £2,675,508 C Non-voting share were redeemed at par in cash.

22 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Within one year	120,560	-	-	-
Between two and five years	71,953	-	-	-
	192,513	-	-	-

23 Events after the reporting date

Subsequent to the period end, there was a further capital reduction of 1,259,490 C Non-voting shares of £1 each.

24 Related party transactions

Key management personnel comprise the directors only. Directors' remuneration is disclosed in note 7.

24 Related party transactions **(Continued)**

The group has taken advantage of the exemption in the paragraph 33.11 of FRS 102 not to disclose related party transactions with Arizonaco Limited group companies.

25 Controlling party

In the opinion of the directors there is no controlling party.

26 Directors' transactions

During the year, loan stock totalling £1,068,750 (2015 - £nil) was repaid to directors. At the balance sheet date the group owed £731,250, which is included within Creditors: amounts falling due within one year; Loans and overdrafts (2015 - £1,800,000 included within Creditors: amounts falling due after more than one year; Loan notes).

27 Cash generated from operations

	2016	2015
	£	£
Profit for the year after tax	3,018,145	2,216,247
Adjustments for:		
Taxation charged	1,083,677	830,443
Finance costs	55,697	54,049
Investment income	(356)	(231)
Gain on disposal of tangible fixed assets	(491)	-
Amortisation and impairment of intangible assets	1,277,097	957,822
Depreciation and impairment of tangible fixed assets	160,949	158,758
Movements in working capital:		
(Increase)/decrease in debtors	(2,711,404)	840,912
Increase/(decrease) in creditors	1,370,042	(1,055,356)
Cash generated from operations	4,253,356	4,002,644