

ABTA Limited
Company number 551311
Consolidated Annual Report and Financial Statements
for the Year Ended 30 June 2017

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ABTA Limited Financial Statements for the year ended 30 June 2017

Corporate governance statement

The Board of Directors is committed to the highest standards of corporate governance and believes that such standards are essential to business integrity and performance.

General

The Board includes elected members. The role of Chairman is separated from the role of the Chief Executive, both of whom are members of the Board. The Board is responsible for taking decisions on the on-going strategic direction of ABTA, approving major developments and the terms of reference and delegated powers of its committees and, through them, the day-to-day operations of ABTA. The Board meets on average, 6 times a year and has several standing committees including a Membership Committee and a Finance Committee. All standing committees are formally constituted with terms of reference.

The Board reviews and approves the annual Business Plan, revenue and capital budgets, monitors performance in relation to approved budgets, and monitors the activities of ABTA's subsidiary companies, which have separately constituted Boards of directors.

The Board acknowledges its responsibility for the systems of internal control within ABTA and for ensuring these systems maintain the integrity of accounting records and safeguard its assets. The purpose of these systems is to provide reasonable assurance as to the reliability of financial information and to maintain proper control over income, expenditure, assets and liabilities of ABTA. No system of control can, however, provide absolute assurance against material misstatement or loss. The Board's review of the effectiveness of ABTA's systems of internal control is an on-going process; where controls are not in place the Board, through its committees, agrees and reviews a timetable for implementation.

The Board has up to 14 members in order to ensure it has adequate expertise and experience from across the membership and comprises:

The Chairman of the Board, who is elected by the Board members from among their own number

4 persons representing ABTA Members who are elected by the membership

Up to 5 persons representing ABTA Members who are appointed by the Board members

Up to 3 other persons who are appointed by the above Board members, who need not represent a Member of ABTA

1 person being the Chief Executive

At 30 June 2017 there were 13 Board members and 1 vacancy.

All Board members, except the Chief Executive, will serve two-year terms. Board members, save for the Chief Executive and those elected by the membership, may serve a maximum of three consecutive terms.

This Board composition is intended to ensure the optimum level of expertise on the Board and allow it to be fully representative of the industry today and in the future.

A brief description of the principal elements underlying ABTA's systems of internal control and risk management follows.

Financial Reporting

There is a comprehensive business planning system with a business plan and annual budget approved by the Board.

Actual results are reported and monitored by budget holders on a monthly basis. Revised forecasts for the year are prepared quarterly. The Chief Executive, his Management Team and the Board review the reports quarterly.

Risk Management

ABTA's Board, the Chief Executive and his Management Team examine on a continual basis the major strategic, business and operational risks which ABTA faces and have established a system that ensures that risks are reviewed and reported regularly at all levels of ABTA, and that appropriate action is in place to mitigate the significant risks. In addition, all risks are reviewed twice a year as an integral part of the business planning.

Corporate governance statement (continued)

A Risk Management Review Group comprising three Board members, including the Chief Executive, reviews risk, reports to the Board twice a year, and maintains a formal risk register.

Controls and Procedures

ABTA maintains a comprehensive set of financial controls, procedures and delegation of authority.

The financial controls and procedures are reviewed regularly by the Finance Committee and other appropriate Committees supported by the work of the independent auditor.

Any material breaches are reported to the Board who review ABTA's accounting and financial reporting practices, its internal financial controls, the work of the independent auditor and compliance with all relevant legislation.

Strategic Report

1. Strategic Management

ABTA is a trade association, representing the interests of its Members, and servicing their business needs. Some of these services are supplied through subsidiary companies, principally ABTA Insurance PCC Limited which provides primary and shortfall insurance in respect of Members' retail business and non-ATOL business activities as principals. The sustainability accreditation business of Travelife is conducted through a wholly owned subsidiary, Travelife Limited.

The role of ABTA is:

- To promote the interests of all Members in their relationships with each other and with other branches of the international travel industry, such as airlines, shipping companies, railways, coach companies and hotels.
- To maintain a Code of Conduct governing the activities of Tour Operators and Travel Agents for the benefits of Members and the travelling public.
- To maintain liaison with governments and organisations concerned with the development of travel and tourism both in the United Kingdom and abroad.

ABTA's directors set the group's strategy, and continually review performance against plan and budget.

2. Business Environment

The past year has been an eventful time both for the travel industry and for the Association. The ongoing global terrorist threat and the momentous political changes at home and abroad have undoubtedly presented challenges for ABTA and for the industry as a whole. ABTA has worked hard with destinations, the FCO and Members to ensure that travel businesses, the travelling public, and the media get balanced and informed advice and information, as and when it is needed.

The Board of Directors' Risk Management Review Group continued to review ABTA's strategic and operational risks. The Group includes three Board members and also non-Board member industry experts. Principal risks identified as increasing included accidental or intentional disruption to ABTA IT systems and unauthorised disclosure of information following a data security incident during the year. These risks are being mitigated through active use of system security policies which include testing and monitoring of ABTA's internal and external systems. A working group was set up in June 2016 to review all ABTA's data protection processes and procedures in light of the future General Data Protection Regulations. The group has established a financial framework where the primary objectives are to protect ABTA from events that hinder the achievement of the group's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level. Other key risks identified include ensuring compliance with financial services regulation, the possible failure of unprotected Members with no or inadequate financial protection security in place and the chance of a decline in the market share of Member companies. Mitigating actions include obtaining external legal advice as appropriate and monitoring of Members. The Group was able to give the Board satisfaction that key risks had been identified and were being actively managed.

3. Business Performance

ABTA delivered a good operating performance. 54 new Members joined and 55 Members left the Association in the year under review, bringing the year-end membership number to 1,161. The total turnover of ABTA Members (the basis for ABTA's own subscription income) increased from £34 to £37 billion. ABTA remains by far the most recognised travel industry trade body among UK consumers, with a 73% public recognition factor.

ABTA's overall financial position remains healthy. A group surplus after taxation of £403k (2016: £316k) was made, of which a loss of £221k related to Trade Association and a profit of £624k to Insurance activities. It is important to note that insurance is by its

Strategic Report (continued)

very nature cyclical. The group surplus together with the effect of the actuarial loss on the pension scheme of £256k (2016: £1,465k) net of tax, overall increased ABTA's group net assets by £146k (2016: decrease of £1,149k).

Voice of the industry

After the referendum vote on the UK's membership of the European Union, ABTA worked with Members to define the priorities for travel and tourism as the Government negotiates the UK's exit from the EU. As the Government embarks on this unprecedented reshaping of the UK's relations with the EU and the world, ABTA published the report "Making a success of Brexit for travel and tourism". This highlights the value of travel and tourism to the UK economy and sets out the priorities for how to secure a prosperous future for the industry and the travelling public.

As part of its membership of the A Fair Tax on Flying campaign, ABTA continued its work to seek a reduction in Air Passenger Duty (APD). ABTA used the announcement by the Scottish Government that it intends to cut APD by 50% between April 2018 and 2021 to call for a similar reduction throughout the rest of the UK.

Following years of indecision by successive Governments on growing airport capacity ABTA welcomed the Government's draft "Airports National Policy Statement" which set out the need for additional capacity in the southeast of England and the solution of a new third runway at Heathrow. The National Policy Statement is expected to be debated and voted on by Parliament in winter 2017-18 and ABTA will continue to call for additional capacity over the coming months.

ABTA supported Members in tackling the alarming trend in the growth of gastric illness compensation claims by consumers, through claims management companies (CMCs). Data from ABTA Members have shown a dramatic rise in the number of gastric illness claims made since 2013, while sickness levels reported in resort have remained stable. Gastric illness claims now represent 9 in 10 personal injury complaints received by ABTA Members – a figure that stood at around 60% in 2013. The UK's fixed legal costs regime is under review, and ABTA met with the Ministry of Justice and called for overseas holiday claims up to £25,000 to be treated in the same way as all other personal injury claims of that value. ABTA also worked closely with national, international and broadcast media to raise public awareness about the realities behind the misleading claims made by some CMCs.

Industry support

The complex, dynamic and global nature of the travel industry means that ABTA and its Members are called on to deal with a wide range of issues and crises that can break at any time. The ABTA Member Survey highlighted that the operational support ABTA provides in the event of a crisis, including clear, effective communication to both Members and their customers, is one of the things they value most from their ABTA membership.

The worldwide terrorism threat continues to be very real, and there have been a number of appalling attacks during 2016-17, some of which were in popular tourist destinations. Following these incidents, ABTA was called on to provide facts, perspective and advice by the national media, and ABTA conducted hundreds of interviews and gave responses on behalf of the industry during the course of the past 12 months. ABTA also provided support to Members who had customers in areas affected by these terrorism incidents.

This year ABTA launched new counter terrorism awareness training developed in association with the National Counter Terrorism Security Office (NaCTSO) specifically tailored to the travel industry. The aim of this free training is to highlight some of the key elements that ABTA Members should consider as part of their business continuity plans, together with measures they could introduce within their own businesses for staff in the UK and suppliers and staff overseas.

ABTA's round-the-clock Operational Bulletins kept Members informed about a range of issues including changes to FCO advice, new visa requirements, severe weather warnings, strike actions, political upheaval and terrorist activity. During the year, ABTA placed regular consumer updates on the homepage of abta.com and across social media channels to help provide important

Strategic Report (continued)

information and guidance to customers in relation to a range of travel related events. These included three significant travel company failures where ABTA played an important role in refunding customers or in providing accurate advice about what to do if their holiday was affected.

ABTA's programme of free-to-attend regional business meetings attracted good attendance from a wide range of Members, with positive engagement and feedback from those Members who attended. During 2016-17, ABTA welcomed more than 460 attendees at 21 meetings across the UK. ABTA also expanded its programme of pay-to-attend conferences and events, following feedback from Members that they wanted more targeted training and learning opportunities around relevant topics. During the year, ABTA ran 22 events including Travel Law, Managing Customer Complaints, Crisis Management, Travel Finance and Handling Illness Claims.

Travel with confidence

In early 2017 ABTA ran a national consumer advertising campaign encouraging people to "Be Smart" and "Always book with an ABTA Travel Company". The campaign was a response to a growing issue of fraudulent websites, online scams and travel companies that do not comply with financial protection requirements. The January and February phase of the campaign targeted families and older travellers encouraging them to book with an ABTA Member during the busiest holiday sales period of the year. The second phase ran in summer 2017. In the first phase of the campaign, ABTA ran advertising online (Facebook, Twitter, YouTube), and through an insert in The Sunday Times Travel Supplement and a series of radio ads. The campaign surpassed the 2015-16 campaign in engaging the target audience. ABTA had almost 1m impressions for the video on YouTube, with almost 20% of the audience watching the full video. Twitter and Facebook produced further 2.7m and 2.4m impressions respectively – the biggest engagement so far for any of ABTA's campaigns.

ABTA was delighted to see a 50% increase in traffic to abta.com and a 15% increase in visits to the Find a Member page (figures are measured year-on-year). ABTA's reach and impact across social media channels continued to grow, and ABTA used social media as an important part of its crisis and issues management response, as well as in support of campaigns. When Lowcost Holidays failed in July 2016, ABTA ran a responsive advertising campaign which included a 30 second video, "Why book with an ABTA Member?" to help maintain confidence in travel among customers. ABTA achieved almost 250,000 views of the video and saw a significant increase in traffic to abta.com and the Find a Member page. ABTA was delighted that the 2016 Early bird campaign, which had great Member engagement, was recognised at the 2017 Travel Marketing Awards for the "Best Use of Social Media".

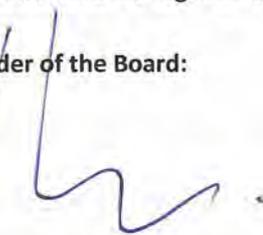
ABTA measures the impact of its customer campaigns through the annual ABTA Consumer Survey, and this year ABTA increased recognition of the logo to 73% of people, while people had overwhelmingly positive associations with the ABTA brand.

In early 2017, ABTA was voted a "Business Superbrand" for the eleventh consecutive year and, for the first time, a "Consumer Superbrand". These are the clearest possible endorsements for the enduring strength of the ABTA brand.

In March, ABTA extended its Personal Injury Alternative Dispute Resolution (ADR) scheme for Members and their customers, coming at a critical time following the significant increase in activity among claims management companies encouraging gastric illness compensation claims among UK holidaymakers. ABTA's ADR scheme provides a real advantage to ABTA Members because it shows a commitment to the highest standards of customer care.

Approved By Order of the Board:

Simon E Bunce
Secretary
30 Park Street
London SE1 9EQ



16 November 2017

ABTA Limited Financial Statements for the year ended 30 June 2017

Directors' Report

The board of directors submits its Strategic Report, Directors' Report and the Financial Statements for the year ended 30 June 2017.

1. Directors

The names of the members of the board of directors during the year ended 30 June 2017 were:

Noel Josephides (elected chairman)
Mark Tanzer (Chief Executive)

Elected by the membership:

Alistair Rowland
Doreen McKenzie (resigned 28 June 2017)
Martin Randall (resigned 28 June 2017)
Jamie Gardiner (elected 28 June 2017)
Andrew Swaffield (resigned 2 October 2017)
Daniele Broccoli (elected 28 June 2017, previously appointed)

Appointed Member representatives:

Roger Allard (resigned 4 January 2017)
Richard Downs
Kathryn Darbandi
Andrew Flintham (resigned 5 September 2017)
Stuart Leven (appointed 28 June 2017)

Non-members:

Amanda Campbell
Katrina Machin
Baroness Stowell (appointed 28 June 2017)

ABTA provided 3rd party indemnity insurance for all the directors throughout the year ended 30 June 2017.

2. Going Concern

No material uncertainties that may cast significant doubt about the ability of the ABTA group of companies to continue as a going concern have been identified by the directors.

3. Charitable donations

Charitable donations totalling £19k were paid during the year ended 30 June 2017. Included in the charitable donations was £15k to ABTA Lifeline, ABTA's charitable trust for those in the travel industry who have fallen upon hard times.

4. Auditor

Moore Stephens LLP is willing to continue in office as auditor and offer themselves for reappointment in accordance with Section 487 (2) of the Companies Act 2006.

5. Strategic report

The directors have prepared a separate Strategic Report incorporating the business review, risks and uncertainties. This is set out on pages 3-5.

6. Statement of disclosure of information to auditors

Each person who was a director at the date that this report was approved has taken all steps that they ought to have taken as directors in order to:

- make themselves aware of any relevant audit information (as defined by the Companies Act 2006) and;
- ensure that the auditors are aware of all relevant audit information (as defined).

As far as each director is aware, there is no relevant audit information of which the company's auditors are unaware.

Approved By Order of the Board:

Simon E Bunce, Secretary, 16 November 2017

30 Park Street, London, SE1 9EQ

ABTA Limited Financial Statements for the year ended 30 June 2017

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. The directors have elected to prepare their financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the surplus or deficit 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 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 company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and to 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.

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

Independent Auditor's Report to the Members of ABTA Limited

Opinion

We have audited the financial statements of ABTA Limited (the "parent company") and its subsidiaries (the "group") for the year ended 30 June 2017 which comprise the Group Statement of Comprehensive Income, Group and Company Balance Sheet, Group and Company Statement of Changes in Equity and Group and Company Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 30 June 2017 and of the group's results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

ABTA Limited Financial Statements for the year ended 30 June 2017

Independent Auditor's Report to the Members of ABTA Limited (continued)

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of ABTA Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during our audit.

Stephen Corral

Stephen Corral, Senior Statutory Auditor
For and on behalf of Moore Stephens LLP, Statutory Auditor
Registered Auditor and Chartered Accountants

150 Aldersgate Street
London
EC1A 4AB

Date: 23 November 2017

ABTA Limited Financial Statements for the year ended 30 June 2017

**Group Statement of Comprehensive Income
for the year ended 30 June 2017**

	Notes	2017 £000s Trade association activities	2017 £000s Insurance activities	2017 £000s Total	2016 £000s Total
Turnover	2	7,862	1,433	9,295	8,772
Insurance claims, net of recoveries		-	(130)	(130)	(117)
Gross surplus		7,862	1,303	9,165	8,655
Administration expenses		(8,641)	(824)	(9,465)	(8,109)
(Loss) / gain on revaluation of investment property		-	-	-	(1,350)
Operating (deficit) / surplus before interest and tax		(779)	479	(300)	(804)
Investment income		496	145	641	878
(Loss) / surplus before taxation	3	(283)	624	341	74
Taxation	6	62	-	62	242
(Loss) / surplus for the year after taxation		(221)	624	403	316
Other comprehensive income					
(Loss) / surplus for the year		(221)	624	403	316
Actuarial loss on defined benefit pension scheme	16	(250)	-	(250)	(1,700)
Movement in related deferred tax asset		(6)	-	(6)	235
Total comprehensive (loss)/income for the year		(477)	624	147	(1,149)

There were no discontinued operations during the year.

The notes on pages 17 to 30 form part of these financial statements.

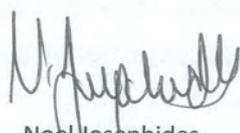
ABTA Limited Financial Statements for the year ended 30 June 2017

Group balance sheet
at 30 June 2017

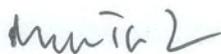
	Notes	Trade association activities £000s	Insurance activities £000s	2017 £000s
Fixed assets				
Intangible fixed assets	7	267	-	267
Tangible fixed assets	8	17,231	-	17,231
Investments	9	-	99	99
		17,498	99	17,597
Current assets				
Debtors amounts falling due within one year	10	1,090	140	1,230
Investments	11	4,553	20,429	24,982
Cash at bank and in hand		818	375	1,193
		6,461	20,944	27,405
Creditors: amounts falling due within one year	12	(2,631)	(152)	(2,783)
Net current assets		3,830	20,792	24,622
Total assets less current liabilities				
Creditors: amounts falling due after one year	12	(33)	-	(33)
Provisions for liabilities				
Deferred taxation	14a	(820)	-	(820)
Loss provision on insurance activities	14b	-	(9)	(9)
		(853)	(9)	(862)
Net assets excluding pension liabilities				
Net pension liabilities	16	(4,724)	-	(4,724)
Net assets including pension liabilities		15,751	20,882	36,633
Represented by: Reserves		15,751	20,882	36,633

These financial statements were approved by the board of directors and authorised for issue on 16 November 2017

Signed on behalf of the board of directors by



Noel Josephides
Chairman



Mark Tanzer
Chief Executive

The notes on pages 17 to 30 form part of these financial statements.
Company registration number: 551311

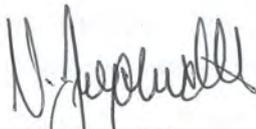
ABTA Limited Financial Statements for the year ended 30 June 2017

Group balance sheet
at 30 June 2016

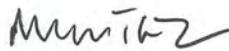
	Notes	Trade association activities £000s	Insurance activities £000s	2016 £000s
Fixed assets				
Intangible fixed assets	7	336	-	336
Tangible fixed assets	8	17,170	-	17,170
Investments	9	-	125	125
		17,506	125	17,631
Current assets				
Debtors amounts falling due within one year	10	939	156	1,095
Investments	11	4,518	19,391	23,909
Cash at bank and in hand		1,292	929	2,221
		6,749	20,476	27,225
Creditors: amounts falling due within one year	12	(2,373)	(33)	(2,406)
Net current assets		4,376	20,443	24,819
Total assets less current liabilities		21,882	20,568	42,450
Creditors: amounts falling due after one year	12	(129)	-	(129)
Provisions for liabilities				
Deferred taxation	14a	(923)	-	(923)
Loss provision on insurance activities	14b	-	(52)	(52)
		(1,052)	(52)	(1,104)
Net assets excluding pension liabilities		20,830	20,516	41,346
Net pension liabilities	16	(4,860)	-	(4,860)
Net assets including pension liabilities		15,970	20,516	36,486
Represented by: Reserves		15,970	20,516	36,486

These financial statements were approved by the board of directors and authorised for issue on 16 November 2017

Signed on behalf of the board of directors by



Noel Josephides
Chairman



Mark Tanzer
Chief Executive

The notes on pages 17 to 30 form part of these financial statements.
Company registration number: 551311

ABTA Limited Financial Statements for the year ended 30 June 2017

**Company balance sheet
at 30 June 2017**

	Notes	2017 £000s	2016 £000s
Fixed assets			
Intangible fixed assets	7	267	336
Tangible fixed assets	8	17,231	17,170
Investments	9	2,104	2,104
		19,602	19,610
Current assets			
Debtors: amounts falling due - within one year	10	1,058	910
- after one year	10	1,176	1,429
Investments	11	4,553	4,518
Cash at bank and in hand		464	530
		7,251	7,387
Creditors: amounts falling due within one year	12	(1,849)	(1,625)
Net current assets		5,402	5,762
Total assets less current liabilities		25,004	25,372
Provisions for liabilities			
Deferred taxation	14	(820)	(923)
Net assets excluding pension liabilities		24,184	24,449
Net pension liabilities	16	(4,724)	(4,860)
Net assets including pension liabilities		19,460	19,589
Represented by: Reserves		19,460	19,589

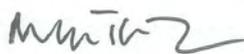
The total comprehensive loss for the year ended 30 June 2017 of the parent, ABTA Limited, was £129k (2016: loss of £1,621k).

These financial statements were approved by the board of directors and authorised for issue on 16 November 2017

Signed on behalf of the board of directors by



Noel Josephides
Chairman



Mark Tanzer
Chief Executive

The notes on pages 17 to 30 form part of these financial statements.
Company registration number: 551311

ABTA Limited Financial Statements for the year ended 30 June 2017

Statement of changes in Equity at 30 June 2017

Reserves at 30 June 2017

Group	Restricted	Restricted	Accumulated Fund	Total
	Retail Fund	Principals' Fund		
	£000s	£000s	£000s	£000s
At 1 July 2016	543	3	35,940	36,486
Surplus for the year	-	-	403	403
Other recognised losses	-	-	(256)	(256)
As at 30 June 2017	543	3	36,087	36,633

Company	Restricted	Restricted	Accumulated Fund	Total
	Retail Fund	Principals' Fund		
	£000s	£000s	£000s	£000s
At 1 July 2016	543	3	19,043	19,589
Surplus for the year	-	-	127	127
Other recognised losses	-	-	(256)	(256)
As at 30 June 2017	543	3	18,914	19,460

Reserves at 30 June 2016

Group	Restricted	Restricted	Accumulated Fund	Total
	Retail Fund	Principals' Fund		
	£000s	£000s	£000s	£000s
At 1 July 2015	543	3	37,089	37,635
Surplus for the year	-	-	316	316
Other recognised losses	-	-	(1,465)	(1,465)
As at 30 June 2016	543	3	35,940	36,486

Company	Restricted	Restricted	Accumulated Fund	Total
	Retail Fund	Principals' Fund		
	£000s	£000s	£000s	£000s
At 1 July 2015	543	3	20,664	21,210
Loss for the year	-	-	(156)	(156)
Other recognised losses	-	-	(1,465)	(1,465)
As at 30 June 2016	543	3	19,043	19,589

As permitted by Section 408 (3) of the Companies Act 2006, the parent company's individual Statement of Comprehensive Income has not been included in these financial statements.

ABTA Limited is a company limited by guarantee and not having a share capital. Each Member of ABTA Limited has undertaken to contribute an amount not exceeding £10 to the assets of ABTA Limited in the event of it being wound up within the period of their membership or within one year after ceasing to be a Member. At 30 June 2017 ABTA Limited had 1,161 Members (2016: 1,162) and therefore no Member or group of Members is considered to control the company.

The notes on pages 17 to 30 form part of these financial statements.

ABTA Limited Financial Statements for the year ended 30 June 2017

**Group and company cash flow statement
for the year ended 30 June 2017**

	Group		Company	
	2017 £000s	2016 £000s	2017 £000s	2016 £000s
Cash flows from operating activities				
Operating deficit for the financial year	(300)	(804)	(727)	(1,192)
Adjustments for:				
Depreciation and amortisation	338	381	338	381
Pension movements	138	649	138	649
Pension contributions paid	(524)	(524)	(524)	(524)
Non-cash movements	26	(496)	-	-
Revaluation on investment property	-	1,350	-	1,350
(Increase)/decrease in debtors	(135)	335	105	125
Increase in creditors	352	51	338	(133)
Income tax paid	(161)	-	(161)	(78)
Cash flows (used in)/from operating activities	(266)	940	(493)	1,469
Cash flows from investing activities				
Purchase of tangible fixed assets	(171)	(27)	(171)	(27)
Purchase of intangible fixed assets	(159)	(160)	(159)	(160)
Interest received	641	878	792	865
Servicing of finance	-	(50)	-	-
Cash flows from investing activities	311	641	462	117
Net increase in cash and cash equivalents	45	1,581	(31)	1,581
Cash and cash equivalents at beginning of year	26,130	24,549	5,048	5,004
Cash and cash equivalents at the end of year	26,175	26,130	5,017	5,048
Represented by:				
Investments	24,982	23,909	4,553	4,518
Cash at bank and in hand	1,193	2,221	464	530
Cash and cash equivalents at the end of year	26,175	26,130	5,017	5,048

The notes on pages 17 to 30 form part of these financial statements.

ABTA Limited Financial Statements for the year ended 30 June 2017

Notes to the financial statements

1 Accounting policies

a) Accounting convention

ABTA Limited is a company limited by guarantee, incorporated and registered in England (registration number 551311). The registered address is 30 Park Street, London, SE1 9EQ. The registered address of the subsidiary ABTA Insurance PCC Limited is 4th Floor The Albany, South Esplanade, St Peter Port, Guernsey, GY1 4NF. All other subsidiaries share ABTA Limited's registered address. These financial statements are presented in pounds sterling (GBP), as that is the currency in which the majority of the group's transactions are denominated. They comprise the financial statements of the group for the year ended 30 June 2017 to the nearest thousand pounds.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ('FRS 102'), Financial Reporting Standard FRS 103 – 'Insurance Contracts' ('FRS 103') and the Companies Act 2006. FRS 102 and FRS 103 is mandatory for accounting periods beginning on or after 1 January 2015.

The financial statements have been drawn up on a going concern basis which assumes the group will continue in operational existence for the foreseeable future. In doing this, the directors have given due consideration to the working capital and cash flow requirements of the group for at least 12 months from the date of signature of the accounts.

The principal accounting policies, which have been applied consistently throughout both years, are set out below.

b) Basis of consolidation

The financial statements comprise the financial statements of ABTA Limited together with its subsidiaries as detailed in note 9 and those of the restricted funds controlled by ABTA Limited as detailed in note 15.

c) Income recognition

Subscriptions relate to the membership year from 1 July 2016 to 30 June 2017. All other income is recognised when services are rendered by the group. Amounts received in advance of services rendered are carried forward in creditors as deferred income. Investment income relating to the year comprises interest and rent receivable.

d) Insurance claims

Insurance premiums shown in insurance claims turnover represent the gross written premiums on insurance contracts ending in the financial year. The group's policy is to account for an estimate of insurance claims when reported. Although provisions for claims are based upon the information currently available, subsequent information and events may show that the ultimate liability is less than or in excess of the amounts provided. The methods used and estimates made are continually reviewed and any resulting adjustments included in the income and expenditure account in the year in which they are made.

The loss provision on insurance activities represents an estimate of claims payable. Any change in the loss provision for the year is charged or credited to the income and expenditure account.

e) Expenditure recognition

Full provision is made for all expenditure incurred but not paid at the balance sheet date. Any amounts paid in advance are carried forward in debtors as prepayments.

f) Investment property

In accordance with FRS 102 the group's investment property is included in the balance sheet at market value. The carrying value is reviewed annually by the directors based on advice received. Formal independent valuations are undertaken as appropriate, but at least every 5 years and incorporated into the financial statements. Depreciation is not provided in respect of the freehold investment property.

g) Intangible fixed assets

Significant expenditure on computer software is capitalised as an intangible asset and stated at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over the estimated useful economic life of the software of 3 years. Amortisation is only charged once the software has been brought into use.

Notes to the financial statements (continued)

h) Current asset investments

These comprise financial instruments and are stated in the balance sheet at fair value.

i) Tangible fixed assets

Other tangible fixed assets are carried at cost and depreciation is provided to write down the cost over their expected useful economic lives as follows:

Leasehold improvements	- Over the life of the lease of 10 years
Furniture and office equipment	- 10% to 33.33% of cost per annum

Depreciation is charged from the month following acquisition.

j) Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit and loss. The impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Investments in preference and ordinary shares classified as basic financial instruments, and all financial instruments not classified as basic are measured at fair value at the end of the reporting period, with the resulting changes recognised in profit or loss. Where their fair value cannot be reliably measured, they are recognised at cost less impairment.

l) Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

m) Investments

The group's and company's investments are included at cost and are subject to annual impairment reviews by the directors.

n) Pension scheme

ABTA operates two types of pension schemes. The first is a defined benefit pension scheme providing benefits based on final pensionable pay which, since 28 February 2011, has been closed to future benefit accrual. In respect of the defined benefit pension scheme, contributions are paid to the scheme in accordance with the recommendations of the scheme actuary.

The scheme is funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. There are no current service costs or past service costs but gains and losses on settlements and curtailments, interest and the expected return on pension scheme assets are charged to operating surplus. Actuarial gains and losses are taken to other comprehensive income.

As detailed in note 16, pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis and discounted at a rate equivalent to the current rate of return of a high-quality corporate bond of equivalent currency and term of the scheme liabilities. The defined benefit pension scheme asset or liability is presented separately after other net assets on the face of the balance sheet.

Notes to the financial statements (continued)

n) Pension scheme (continued)

ABTA also contributes to individual employees' stakeholder pension plans. The contributions to stakeholder pension plans are to profit and loss as they become payable. ABTA Limited has no further obligations in respect of the stakeholder pension plan.

o) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

p) Operating Leases

Annual rentals are charged to operating profit on a straight line basis over the lease term.

Rental income from the operating lease on the investment property is recognised on a straight line basis over the period of the lease.

q) Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities and disclosure of contingent assets and liabilities as at the balance sheet date and the amounts reported for turnover and expenses during the year. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements:

Loss provision on insurance activities

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the reporting date, including the cost of claims incurred but not yet reported to the group. Provisions are determined by management based on experience of claims settled and on the advice of expert loss adjusters where appropriate. The estimated cost of claims includes expenses to be incurred in settling claims. The group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

Revaluation of investment property

ABTA carries its investment property at fair value, with changes in fair value being recognised in profit or loss. An independent valuation specialist was engaged to determine fair value at 30 June 2017. The valuation of the property was on the basis of market value on the assumption that the property would be sold subject to and with the benefit of the existing lease. Further details of the fair value of the investment property are given in note 8.

Pension and post-employment benefits

The cost of defined benefit pension is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates. Further details are given in note 16.

Intangible assets

The useful economic life of intangible assets represents an estimated based on the expected usual life of that element of the computer software. If there is an indication that there has been a significant change in the useful economic life, the amortisation will be revised prospectively.

ABTA Limited Financial Statements for the year ended 30 June 2017

Notes to the financial statements (continued)

2 Turnover analysis

	2017 £000s	2017 £000s	2017 £000s	2016 £000s
	Trade association activities	Insurance activities	Total	Total
Turnover				
Subscriptions	5,751	-	5,751	5,908
Outsourcing and miscellaneous Member fees	163	-	163	178
Travelife	592	-	592	453
Other	1,356	1,433	2,789	2,233
Total turnover	7,862	1,433	9,295	8,772

3 (Loss) / Surplus before taxation

	2017 £000s	2016 £000s
<i>Is stated after charging/(receiving):</i>		
Depreciation of tangible fixed assets and amortisation of intangible fixed assets	338	305
Operating lease rentals of property	319	313
Foreign exchange gain	(10)	(8)
Auditor's remuneration:		
for audit	51	51
for tax compliance	12	12
for pension scheme audit	5	5
for other services	12	9

4 Salaries and staff costs

	2017 £000s	2016 £000s
Wages, salaries and related staff costs – including directors	4,337	3,782
Social security costs	451	404
Employer's pension contribution - Defined contributions	327	308
Total salary and staff costs	5,115	4,494

Staff costs and the average weekly number of employees are derived as follows:

	2017 No.	2017 £000s	2016 No.	2016 £000s
Total staff costs	87	5,038	78	4,494

During the year total remuneration in relation to key management personnel totalled £1,039k (2016: £982k)

ABTA Limited Financial Statements for the year ended 30 June 2017

Notes to the financial statements (continued)

5 Directors' remuneration included in staff costs above

	2017	2016
	£000s	£000s
Highest paid director		
Gross salary and benefits	279	228
Director pension contributions	26	22
Total directors' remuneration		
Directors' gross salary	275	224
Directors' pension contribution	26	22
Directors' benefits	4	4
Directors' fees	106	132
Total directors' remuneration	411	382
	2017	2016
	No.	No.
The number of directors accruing benefits under money purchase pension schemes	1	1

6 Taxation

	2017	2016
	£000s	£000s
6a Current tax:		
UK corporation tax on surplus for the year	77	221
Foreign taxation	1	-
Adjustments in respect of prior periods	(30)	(35)
Total current tax	48	186
Deferred tax:		
Origination and reversal of timing differences	(9)	(278)
Adjustments in respect of prior periods	7	9
Adjustments in relation to defined benefit pension scheme	(56)	72
Effect of tax rate change on opening balance	(52)	(231)
Total deferred tax	(110)	(428)
Tax on operating surplus	(62)	(242)

Notes to the financial statements (continued)

6 Taxation (continued)

6b Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19.75% (2016: 20%).

The differences are explained below:

	2017	2016
	£000s	£000s
Surplus before tax	341	74
Surplus multiplied by the effective rate of corporation tax in the UK of 19.75 % (2016 – 20%)	69	15
Effects of:		
Fixed asset differences	1	1
Other permanent differences	-	-
Expenses not deductible for tax purposes	20	(5)
Losses carried back	(46)	-
Adjustments in relation to defined benefit pension scheme	(56)	72
Adjustments to deferred tax not recognised	(27)	(298)
Foreign tax credits	1	-
Adjustments to tax charge in respect of previous periods	(24)	(26)
Current tax charge for year (note 6(a))	(62)	(242)

7 Intangible fixed assets

Computer Software	Company	Group
	£000s	£000s
Cost:		
At 1 July 2016	1,152	1,529
Additions	159	159
At 30 June 2017	1,311	1,688
Depreciation:		
At 1 July 2016	816	1,193
Charge for year	228	228
At 30 June 2017	1,044	1,421
Net book value:		
At 30 June 2017	267	267
At 30 June 2016	336	467

Notes to the financial statements (continued)

8 Tangible fixed assets

	Freehold Investment Property At valuation	Leasehold improvements	Furniture and office equipment	Total
Group	£000s	£000s	£000s	£000s
Cost or valuation:				
At 1 July 2016	17,000	345	483	17,828
Additions	-	-	171	171
Disposals	-	-	(51)	(51)
At 30 June 2017	17,000	345	603	17,948
Depreciation:				
At 1 July 2016	-	272	386	658
Charge for year	-	37	73	110
Disposals	-	-	(51)	(51)
At 30 June 2017	-	309	408	717
Net book value:				
At 30 June 2017	17,000	36	195	17,231
At 30 June 2016	17,000	73	97	17,170

Tangible fixed assets	Freehold Investment Property At valuation	Leasehold improvements	Furniture and office equipment	Total
Company	£000s	£000s	£000s	£000s
Cost or valuation:				
At 1 July 2016	17,000	345	483	17,828
Additions	-	-	171	171
Disposals	-	-	(51)	(51)
Revaluation	-	-	-	-
At 30 June 2017	17,000	345	603	17,948
Depreciation:				
At 1 July 2016	-	272	386	658
Charge for year	-	37	73	110
Disposals	-	-	(51)	(51)
At 30 June 2017	-	309	408	717
Net book value:				
At 30 June 2017	17,000	36	195	17,231
At 30 June 2016	17,000	73	97	17,170

Following ABTA's relocation to leasehold premises in 2009, ABTA's former freehold offices in Newman Street London W1, were fully let on a 10 year lease. Accordingly the property is classified as an investment property.

The freehold interest in the property was independently valued as at 30 June 2017 by Savills (UK) Limited, acting in the capacity of external valuers. The valuation is in accordance with the requirements of FRS 102 and the RICS Valuation – Professional Standards, January 2014 edition and the International Valuation Standards (IVS). The valuation of the property was on the basis of market value on the assumption that the property would be sold subject to and with the benefit of the existing lease. The valuers reported that the market value of the property was £17million as at the date of valuation. The valuation was arrived at predominantly by reference to market evidence for comparable property.

ABTA Limited Financial Statements for the year ended 30 June 2017

Notes to the financial statements (continued)

9 Fixed Asset Investments

Investment in insurance cell in Lime Street Insurance PCC Limited	Group
	£000s
Investment at cost at 1 July 2016 and 30 June 2017	125
Revaluation at year end	(26)
Total	99

Investment in subsidiary undertakings	Company
	£000s
Shares at cost at 1 July 2016 and 30 June 2017	2,104

The investment in subsidiary undertakings represents the following:

Subsidiary	Principal activity	Country of incorporation	Class and % of shares held	Cost of investment
ABTA Insurance PCC Limited	Primary and shortfall insurance arrangements for ABTA Members	Guernsey	Ordinary 100%	1,560
			Redeemable 100%	544
Travelife Limited	Promotion of best practice in tourism	United Kingdom	Ordinary 100%	-
ABTASURE Limited	Dormant	United Kingdom	Ordinary 100%	-
Federation of Tour Operators Limited	Dormant	United Kingdom	Sole guarantor	-
International Tourism Services Limited	Non-trading	United Kingdom	Sole guarantor	-
Total cost of investments				2,104

10 Debtors: amounts falling due within one year

	Company 2017 £000s	Company 2016 £000s	Group 2017 £000s	Group 2016 £000s
Other debtors	555	657	666	736
Prepayments and accrued income	503	253	564	359
Total	1,058	910	1,230	1,095

ABTA Limited Financial Statements for the year ended 30 June 2017

Notes to the financial statements (continued)

Debtors: amounts falling due after one year

	Company 2017 £000s	Company 2016 £000s	Group 2017 £000s	Group 2016 £000s
Due from subsidiary undertakings	1,176	1,429	-	-
Total	1,176	1,429	-	-

11 Investments

	Market Value 2017 £000s	Market Value 2016 £000s
Held by:		
ABTA Limited	4,553	4,518
ABTA Insurance PCC Limited	20,429	19,391
Group	24,982	23,909

These financial instruments comprise term deposits, fixed rate notes and certificates of deposit from financial institutions with varying maturity dates. As these instruments are tradable, they are all classified as current assets.

12 Creditors: amounts falling due within one year

	Company 2017 £000s	Company 2016 £000s	Group 2017 £000s	Group 2016 £000s
Due to subsidiary undertakings	-	1	-	-
Other creditors	767	313	859	355
Corporation tax	77	214	77	214
Other taxes and social security	133	125	133	125
Accruals	546	550	596	594
Deferred income	326	422	966	1,118
Investment held by other company	-	-	152	-
Total	1,849	1,625	2,783	2,406

	Company 2017 £000s	Company 2016 £000s	Group 2017 £000s	Group 2016 £000s
Creditors: amounts falling due after one year				
Other creditors	-	-	33	129
Total	-	-	33	129

The company contracted to pay £400k to the software development supplier of the Travelife Sustainability System which became fully operational shortly before the start of the 2011/12 financial year. £100k was paid during the year ended 30 June 2011, £50k was paid during the years ended 30 June 2014, 2015, 2016 and 2017.

The remaining balance becomes payable once the company is trading profitably. The payments are calculated as a proportion of those profits. Accordingly, the deferred consideration has been discounted to its present value of £83k of which £50k is disclosed within amounts falling due within one year (2016: £129k).

Should the company cease to use the Travelling Sustainability System the balance of any consideration would become fully payable.

ABTA Limited Financial Statements for the year ended 30 June 2017

Notes to the financial statements (continued)

13 Financial assets and liabilities

	Company 2017 £000s	Company 2016 £000s	Group 2017 £000s	Group 2016 £000s
<i>Financial assets</i>				
Financial assets measured at fair value	4,553	4,518	24,982	23,909
Financial assets measured at amortised cost	1,300	1,187	2,077	3,028
<i>Financial liabilities</i>				
Financial liabilities measured at amortised cost	1,313	864	1,640	1,078

14 Provisions for liabilities

	Company 2017 £000s	Company 2016 £000s	Group 2017 £000s	Group 2016 £000s
14a Deferred Taxation				
At 1 July	923	1,586	923	1,586
Transfer to Statement of Comprehensive Income	(103)	(663)	(103)	(663)
Balance at 30 June	820	923	820	923

The provision for deferred taxation has been calculated based on a composite corporation tax rate of 17% (2016: 18%).

14b Loss provision on insurance activities

In the opinion of the directors, the loss provision, which should be recognised in the financial statements, amounts to £9k as at June 2017 (2016: £52k). The provision represents a prudent estimate of the future potential liabilities of the group in respect of claims. These claims are subject to inherent uncertainties and the ultimate cost of the claims may differ.

The table below presents the cumulative claims and payments for each open policy year. The table reconciles the total liability recognised in the balance sheet. As there is no reinsurance, no net position has been separately disclosed.

	2012 £000s	2013 £000s	2014 £000s	2015 £000s	2016 £000s	2017 £000s
At 12 month stage	460	831	621	129	125	215
At 24 months	213	804	351	142	72	-
At 36 Months	213	804	351	-	-	-
At 48 Months	213	804	-	-	-	-
At 60 months	213	-	-	-	-	-
Paid to date	(213)	(804)	(351)	(142)	(72)	(206)
Outstanding at 30 June	-	-	-	-	-	9
2017	-	-	-	-	-	9
Improvement/ (deterioration) from 12 month stage	247	27	270	(13)	53	-

Financial Risk Management

The company monitors and manages its financial risks relating to insurance contracts. The group's only assets held for insurance purposes consist of cash and investments held in pounds sterling by the cell. There is, therefore, no currency or market price risk. The liquidity of the cell is overseen by Guernsey regulators and capital or loan finance will be injected to meet specified requirements.

ABTA Limited Financial Statements for the year ended 30 June 2017

Notes to the financial statements (continued)

15 a) Accumulated Fund

The accumulated fund records the retained earnings of the group, less any accumulated losses.

b) Retail and Principals' Fund

These funds were established under ABTA's Articles and are restricted in their use.

Claims payable on failures represent discretionary amounts agreed by the Retail Fund Committee in respect of Member failures which fall outside of ABTA's scheme of financial protection. In September 2015, the monies from the fund were invested in the Retail Contingent Fund cell in ABTA Insurance PCC limited (AIPCC) see note 9. An insurance policy was written with the AIPCC to deal with any claims relating to the fund. In the year to 30 June 2017 claims paid were £nil (2016: £6k).

16 Net pension liabilities

ABTA has a funded pension scheme to provide retirement and death benefits for eligible employees, which is a defined benefit pension scheme. The scheme has been closed to new Members with effect from 1 July 2003 and was closed to future accrual on 28 February 2011.

Contributions

In the year ended 30 June 2017, ABTA made contributions of £524k (2016: £524k) towards the deficit.

Actuarial valuation at 1 July 2015

The latest actuarial valuation of the scheme, carried out by the scheme's independent professionally qualified actuary, was at 1 July 2015 and was carried out using the scheme's technical provisions as required by the Pensions Act 2004.

At that date, based on the assumptions underlying the calculation of the scheme's technical provisions, assets were sufficient to cover 89% of the scheme's liabilities leaving a deficit of £2,303k. A summary of the method assumptions used by the scheme's qualified actuary were as follows:

- The discount rate to be applied to the scheme liabilities is 5.3% before retirement and 3.7% after retirement.
- Salary growth is 3.9%.
- Pension increases on pre-1 July 2003 service are 5% and 3.3% on post-1 July 2003 service.
- The future benefit accrual has been determined using the Projected Unit Method.

Following agreement between ABTA and the scheme trustees, a recovery plan was implemented as follows:

- Annual contributions remain at £524k.
- The trustees and employer agreed that the trustees' charge of £3,500k over property assets owned by ABTA would not be renewed following the expiry of the agreement on 30 September 2016.

If experience is in line with the assumptions underlying the actuarial valuation it is expected that this will be sufficient to eliminate the deficit on an on-going basis by 31 May 2020.

Valuation assumptions

ABTA's appointed actuary for the purposes of carrying out the valuation at 30 June 2017 in accordance with Financial Reporting Standard 102, section 28 adopted the following major assumptions:

	30 June 2017	30 June 2016
Rate of increase in salaries	4.1% pa	3.7% pa
Rate of increase in pensions in payment	3.4% - 5.0% pa	3.1% - 5.0% pa
Rate used to discount scheme liabilities	2.7% pa	3.0% pa
Inflation assumption	3.6% pa	3.2% pa
Base mortality table	S2PMA/S2PFA	S2PMA/S2PFA
Mortality projection basis	CMI (2016) projection model with a long term rate of 1% pa	CMI (2015) projection model with a long term rate of 1% pa

Notes to the financial statements (continued)

16 Net pension liabilities (continued)

Major categories of plan assets as a percentage of total scheme assets	30 June 2017	30 June 2016			
UK & overseas equity funds	46%	48%			
Fixed Interest funds	43%	52%			
Annuity policies	11%	0%			
Balance Sheet	30 June 2017	30 June 2016			
	£000s	£000s			
Fair value of scheme assets	24,443	22,340			
Defined benefit obligation (DBO)	(29,167)	(27,200)			
Deficit	(4,724)	(4,860)			
Funding level	84%	82%			
Analysis of the amount charged to net pension financing costs	30 June 2017	30 June 2016			
	£000s	£000s			
Expected return on pension scheme assets	(666)	(778)			
Interest on pension scheme liabilities	804	903			
Total pension financing cost	138	125			
Total charge to profit and loss	138	125			
Analysis of the amount recognised in the other comprehensive income	30 June 2017	30 June 2016			
	£000s	£000s			
Actual return less expected return on pension scheme assets	1,714	1,063			
Experience gains arising on the scheme liabilities	142	245			
Changes in assumptions underlying the present value of the same liabilities	(2,106)	(3,008)			
Actuarial loss recognised in other comprehensive income	(250)	(1,700)			
Analysis of changes in the present value of defined benefit obligation (DBO)	30 June 2017	30 June 2016			
	£000s	£000s			
Opening defined benefit obligation	27,200	23,982			
Interest cost	804	903			
Actuarial experience gains	(142)	(245)			
Change in actuarial assumptions	2,106	3,008			
Benefits paid	(801)	(448)			
Closing defined benefit obligation	29,167	27,200			
Analysis of changes in the fair value of assets	30 June 2017	30 June 2016			
	£000s	£000s			
Opening fair value of assets	22,340	20,423			
Expected return	666	778			
Employer's contribution	524	524			
Actuarial experience gains	1,714	1,063			
Benefits paid	(801)	(448)			
Closing fair value of assets	24,443	22,340			
Amounts for the current & previous four periods	2017	2016	2015	2014	2013
	£000s	£000s	£000s	£000s	£000s
Fair value of scheme assets	24,443	22,340	20,423	19,110	15,413
Defined benefit obligation	(29,167)	(27,200)	(23,982)	(22,094)	(17,191)
(Shortfall)	(4,724)	(4,860)	(3,559)	(2,984)	(1,778)
Experience adjustment on assets	1,714	1,063	382	225	624
Experience adjustment on DBO	142	245	471	-	-

Notes to the financial statements (continued)

16 Net pension liabilities (continued)

Projected amount charged to the profit and loss account for 2017-18	30 June 2018
	£000s
Expected return on assets	660
Interest cost	(781)
Total charge to profit and loss	(121)

Projected deficit for year ending 30 June 2018	30 June 2018
	£000s
Opening deficit	(4,724)
Expected charge to income and expenditure	(121)
Expected Employer contributions	524
Projected deficit	(4,321)

Sensitivity Analysis	Change to DBO
Increase/decrease discount rate by 0.5% pa	-10% / +12%
Increase/decrease assumed rate of future inflation by 0.5% pa	+4% / -4%

17 Related Party Transactions

The company has taken advantage of the exemption conferred by FRS 102 s.33.1A from the requirement to make disclosures concerning transactions with fellow ABTA group undertakings.

18 Financial Commitments

Non-cancellable operating lease rentals are payable as follows:

	2017 Land & Buildings £000s	2017 Other £000s	2016 Land & Buildings £000s	2016 Other £000s
Not later than 1 year	461	14	461	14
Within 2 to 5 years	615	5	1,076	19
Total	1,076	19	1,537	33

19 Members' failures

Where appropriate, ABTA administers claims in respect of the failure of its Members by calling in bonds where they are required to be provided and/or by claiming on ABTA's indemnity shortfall insurance policies. ABTA has, in the past, borne the cost of Members' failures conducting Retail Activities which were in excess of Bonds and the insurance indemnity shortfall policy.

During the financial year ended 30 June 2017, ABTA dealt with claims in respect of ABTA Members as follows:

	2017 £000s	2016 £000s
Failure of Members conducting principal activities	3,286	-
Failure of Members conducting retail activities	268	(67)
Total claims	3,554	(67)

	2017	2016
The number of ABTA members who failed during the year was as follows:		
Failure of Members conducting dual activities	1	-
Failure of Members conducting principal activities	3	2
Failure of Members conducting retail activities	1	2
Total failures	5	4

Notes to the financial statements (continued)

20 Monies held on behalf of third parties

Failures

ABTA acts as trustee for the funds called in respect of failed Members, which are held in separate designated accounts and are not reflected in ABTA's balance sheet. At 30 June 2017 ABTA was responsible for funds totalling £51K (2016: £45k). These sums represent funds called in and not yet distributed, together with accumulated interest.

Pipeline Monies

ABTA holds as trustee certain funds relating to failed Tour Operators ("pipeline monies"). ABTA Limited, having obtained legal advice, releases to profit and loss residual funds received more than 6 years ago. During the year £1k (2016: £11k) was released and is included in miscellaneous income.

ABTA continues to hold as trustee pipeline monies received during the last six years. At 30 June 2017 these funds totalling £3k (2016: £4k) are held in separately designated accounts and are not reflected in the balance sheet of ABTA Limited.

Fines

Under ABTA's Articles of Association, Members who appeal against fines levied by ABTA Limited are required to pay the fine prior to the hearing of the Appeal Board. These funds are returned if the appeal is successful. As at 30 June 2017 there were £nil funds (2016: £nil) held by ABTA and representing balances held pending hearing of the appeals. Where there are funds held, they are not reflected in ABTA's balance sheet.

Single Payment Scheme

ABTA acts as a trustee for the monies paid by Members conducting retail activities to Members conducting activities as a principal through the ABTA Single Payment Scheme. As at 30 June 2017 the balance held in the scheme was £17m (2016: £nil) and is not reflected in ABTA's balance sheet. This was transferred out in accordance with the scheme on 3 July 2017.