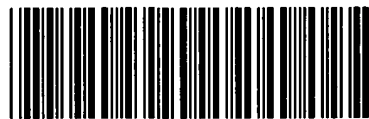


Registered number: 01004502

TRAILFINDERS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017

THURSDAY



A6BISFW2

A10

27/07/2017

#183

COMPANIES HOUSE

TRAILFINDERS LIMITED

COMPANY INFORMATION

Directors	M D W Gooley, C.B.E (Chairman) A M Russell M Bannister G Dyer M C Raymond E R Lee J D Nye M W West N Davies F K Gooley T P Gooley T M Kelly R McHardy A D Ness R Simpson
Company secretary	M Bannister
Registered number	01004502
Registered office	48 Earls Court Road London W8 6FT
Independent auditors	Elman Wall Limited Chartered Accountants & Statutory Auditor 8th Floor Becket House 36 Old Jewry London EC2R 8DD

TRAILFINDERS LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 4
Independent auditors' report	5 - 6
Statement of comprehensive income	7
Balance sheet	8 - 9
Statement of changes in equity	10
Notes to the financial statements	11 - 31

TRAILFINDERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2017

Introduction

During the year the company operated 29 travel centres in the United Kingdom, 5 in London and one each in the following cities and towns: Aberdeen, Belfast, Birmingham, Bournemouth, Brighton, Bristol, Cambridge, Canterbury, Cardiff, Chester, Edinburgh, Exeter, Glasgow, Guildford, Leeds, Liverpool, Manchester, Newcastle, Norwich, Nottingham, Oxford, Reading, Richmond and St Albans.

Business review

Gross sales turnover was at a figure of £652.1m (2016: £611.9m). The operating profit for the year before tax was at a figure of £13.6m (2016 - £22.4m).

Trading profit was adversely affected by the sharp and overnight fall in value of sterling immediately following the 23 June 2016 Referendum. This unusual event depressed this years profit by some £12 million but will recover in 2017/18.

Charitable donations to The Mike Gooley Trailfinders Charity also increased from £3.5m to £3.7m.

The Directors maintain a sense of optimism for future trading conditions.

Principal risks and uncertainties

The company's operations are subject to numerous risks such as currency movements, terrorism, disease, adverse weather conditions and other natural phenomena. The uncertainty surrounding Brexit will continue to produce volatility in the markets and affect currency fluctuation. In additions to managing these risks the legislative burden on the travel industry and in particular the EU Directive on Package Travel places a high cost in meeting the demands and obligations of this regulatory framework.

We hold an Air Travel Organisers License granted by the Civil Aviation Authority which ensures that in the very unlikely event of our insolvency our clients would be able to continue with their holiday as planned (if already abroad) or refunded in full if travel has not already commenced. As a double indemnity all client funds are held in a Client Trust Account established in 1993 as a market leader and which continues to offer a unique form of financial guarantee. This separate legal entity holds all client monies received for travel arrangements until such time as payment due to the supplier. Transactional gross profit is then transferred to the general account following settlement.

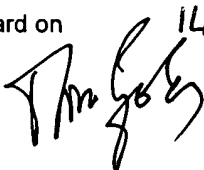
We are also a member of The Association of Business Travel Agents (ABTA) and as such we are obliged to maintain a high standard of service governed by ABTA's code of conduct.

It should also be noted that the company bound by the rules of holding an ATOL reimburses clients in the event of an airline failing financially. This guarantee is offered by a method of self insurance and unlike many other travel organisers, Trailfinders does not charge for this protection.

The Directors consider cautious management of our cash reserves to be of paramount importance and this continues to be reflected in the balance sheet. This allows the company to manage all of the aforementioned risks and weather any prolonged down turn in business. It also allows the company to acquire other business opportunities at speed.

This report was approved by the board on 14th July 2017, and signed on its behalf.

M D W Gooley, C.B.E (Chairman)
Director



TRAILFINDERS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2017**

The directors present their report and the financial statements for the year ended 28 February 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 Company will continue in business.

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

Principal activity

The principal activities of the company continue to be those of travel organisers and suppliers of related services.

Dividends

The profit for the year, after taxation, amounted to £19,822,400 (2016: £16,265,033).

During the year dividends of £3,000,000 were paid (2016: £2,000,000)

TRAILFINDERS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2017**

The directors who served during the year were:

M D W Gooley, C.B.E (Chairman)
A M Russell
M Bannister
G Dyer
M C Raymond
E R Lee
J D Nye
M W West
N Davies
F K Gooley
T P Gooley
T M Kelly
S R Gadd (resigned 29 April 2016)
N Orlans (resigned 1 March 2017)
R McHardy
R Simpson (appointed 1 January 2017)

No directors had any interest in the shares of the company.

M D W Gooley, M Bannister, A M Russell and E R Lee are directors of the parent company, Trailfinders Group Limited. M D W Gooley owns 100% of the share capital of the parent company.

Charitable donations

Charitable donations amounting to £3,700,000 (2016: £3,500,000) were made to The Mike Gooley Trailfinders Charity, which is an organisation, favouring support of Medical Research, Community projects, which encourage young people in outdoor activities and Armed Forces veteran organisations.

A further £1,000,000 in donations were made in respect of the Britain is Stronger in Europe campaign, £75,000 to Great Ormond Street Hospital, and £1,500 to SSAFA

Trust account

The company created a trust account in June 1993. This separate legal entity continues to hold all clients' money received for travel arrangements until such time as payment is due to the suppliers. The company receives commission due only after the settlement of supplier accounts.

This method of safeguarding clients' funds is all too rare in the travel industry but, in the opinion of the directors, is by far the soundest and our action puts down a benchmark for others to follow.

Land and buildings

The 20 freehold properties have been included in the balance sheet at cost without any revaluation since purchase and at the year end have a net book value of £22,967,452.

The directors have reviewed the value of the investment properties as at 28 February 2017 and consider there to be no material difference to the external valuation carried out in the year to 29 February 2016, which were valued at £9,280,000.

TRAILFINDERS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2017**

Future developments

The future developments for the company have been discussed in the Strategic report.

Employee involvement

Regular meetings with employees' representatives are held to inform them of the development of the business, together with a confidential internal newsletter published monthly and comprehensive company information available on the private internal Knowledgebase intranet which totals some 90,000 pages of information.

Disabled employees

The directors endeavour to ensure that as far as possible the training, career development and promotion of disabled persons is the same as other employees. Should employees become disabled, every effort is made to ensure that their employment continues and appropriate retaining is received. There was one registered disabled person employed by the company during the year.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

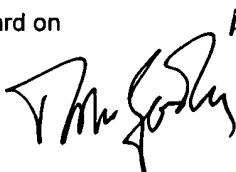
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Elman Wall Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on



14 July 2017, and signed on its behalf.

M D W Gooley, C.B.E (Chairman)
Director

TRAILFINDERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TRAILFINDERS LIMITED

We have audited the financial statements of Trailfinders Limited for the year ended 28 February 2017, set out on pages 7 to 31. The relevant financial reporting framework that has been applied in their preparation is applicable law

and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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 on page 2, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2017 and of its profit or 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, 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 those financial statements and such reports have been prepared in accordance with applicable legal requirements.

TRAILFINDERS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TRAILFINDERS LIMITED
(CONTINUED)**

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Elman Wall Limited

Yasin Khandwalla (Senior statutory auditor)

for and on behalf of
Elman Wall Limited

Chartered Accountants
Statutory Auditor

8th Floor
Becket House
36 Old Jewry
London
EC2R 8DD

Date: 14/7/17

TRAILFINDERS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2017**

	Note	2017 £000	2016 £000
Turnover	4	652,107	611,965
Cost of sales		(564,165)	(530,425)
Gross profit		87,942	81,540
Administrative expenses		(73,613)	(70,857)
Exceptional administrative expenses	14	-	(600)
Other operating (loss)/income	5	(8,918)	5,397
Operating profit	6	5,411	15,480
Income from fixed assets investments		5,341	3,973
Profit on disposal of investments		311	114
Interest receivable and similar income	11	2,559	2,853
Profit before tax		13,622	22,420
Gain/(loss) on financial assets at fair value		10,108	(2,983)
Profit on ordinary activities before tax		23,730	19,437
Tax on profit		(3,907)	(3,172)
Profit for the financial year		19,823	16,265
Other comprehensive income for the year			
Total comprehensive income for the year		19,823	16,265

TRAILFINDERS LIMITED
REGISTERED NUMBER: 01004502

BALANCE SHEET
AS AT 28 FEBRUARY 2017

	Note	28 February 2017 £000	29 February 2016 £000
Fixed assets			
Tangible assets	15	30,877	30,445
Investments	16	67,317	55,591
Investment property	17	9,280	9,280
		<u>107,474</u>	<u>95,316</u>
Current assets			
Stocks	18	89	102
Debtors: amounts falling due within one year	19	5,611	5,763
Current asset investments	20	111,002	130,885
Cash at bank and in hand	21	215,599	163,766
		<u>332,301</u>	<u>300,516</u>
Creditors: amounts falling due within one year	22	(193,233)	(171,341)
Net current assets		<u>139,068</u>	<u>129,175</u>
Total assets less current liabilities		<u>246,542</u>	<u>224,491</u>
Creditors: amounts falling due after more than one year	23	(3,067)	-
Provisions for liabilities			
Deferred tax	25	(3,904)	(1,743)
		<u>(3,904)</u>	<u>(1,743)</u>
Net assets		<u><u>239,571</u></u>	<u><u>222,748</u></u>

TRAILFINDERS LIMITED
REGISTERED NUMBER: 01004502

BALANCE SHEET (CONTINUED)
AS AT 28 FEBRUARY 2017

	Note	28 February 2017 £000	29 February 2016 £000
Capital and reserves			
Called up share capital	26	94	94
Share premium account	27	27	27
Revaluation reserve	27	999	999
Capital redemption reserve	27	12	12
Other reserves	27	4	4
Profit and loss account	27	238,435	221,612
		<u>239,571</u>	<u>222,748</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

14 July 2017.



M D W Gooley, C.B.E (Chairman)

Director

The notes on pages 11 to 31 form part of these financial statements.

TRAILFINDERS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 29 FEBRUARY 2016 AND 28 FEBRUARY 2017**

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 March 2015 (as previously stated)	94	27	12	999	4	207,441	208,577
Changes on transition to FRS 102	-	-	-	-	-	(94)	(94)
At 1 March 2015 (as restated)	94	27	12	999	4	207,347	208,483
Profit for the year	-	-	-	-	-	16,265	16,265
Dividends: Equity capital	-	-	-	-	-	(2,000)	(2,000)
At 1 March 2016	94	27	12	999	4	221,612	222,748
Comprehensive income for the year	-	-	-	-	-	19,823	19,823
Profit for the year	-	-	-	-	-	(3,000)	(3,000)
Dividends: Equity capital	-	-	-	-	-	(3,000)	(3,000)
At 28 February 2017	94	27	12	999	4	238,435	239,571

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

1. General information

Trailfinders Limited is a private company limited by shares incorporated in England. The address of the registered office is given in the company information page of these financial statements. The nature of the company's operations and principal activities recorded in the Strategic Report and page 1 of the directors report.

2. ACCOUNTING POLICIES**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

2.2 Cash flow statement

The Company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the parent company's financial statements, includes the Company's cash flows.

2.3 Revenue

Turnover represents gross sales value to customers of air tickets, travel insurance, hotel bookings and other related services.

Transactions relating to customers travel bookings are recognised in the financial statements at such times as payments are received from customers and deposited to the trust accounts. This treatment reflects the fact that customers retain the right to change or cancel their travel bookings at any time up to the date of payment. In accordance with the terms of the trust, transactions relating to customers' bookings are reflected in turnover when any payment is made to the supplier.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

2. ACCOUNTING POLICIES (continued)**2.4 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2 - 2.5% straight line
Leasehold buildings	- Over period of lease
Plant and machinery	- 6.67% - 20% straight line
Motor vehicles	- 6.67% - 20% straight line
Fixtures, fittings & equipment	- 10% straight line
Computer equipment	- 10% - 33.33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

For a revalued item of property, plant or equipment that meets the recognition criteria and the criteria for revaluation, the company has elected to use as its deemed cost, its revalued amount either at, or before the date of transition as disclosed in note 15.

2.5 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.6 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

2. ACCOUNTING POLICIES (continued)**2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.8 Stocks

Stock is valued at the lower of cost and net realisable value.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

2. ACCOUNTING POLICIES (continued)

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.15 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 March 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.16 Leased assets: the Company as lessee

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

2. ACCOUNTING POLICIES (continued)

2.17 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.18 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

2.19 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

2. ACCOUNTING POLICIES (continued)

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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.

2.22 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company'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 recognised 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 revision and future periods where the revision affects both current and future periods.

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

Critical judgements

The directors are of the view that there is one critical judgement with regards to the impairment of the investment in the subsidiary undertaking Trailfinders Australia Pty. The investment is considered to be impaired therefore an adjustment has been put through the accounts of £nil (2016: £600,000). The impairment has been based on the value of net assets of Trailfinders Australia Pty Limited.

The directors are of the view that there are no further critical judgements (apart from those involving estimates) in applying their accounting policies that have had a significant effect on amounts recognised in the financial statements.

Key sources of estimation uncertainty

The directors are of the view that there are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities

4. Turnover

The whole of the turnover is attributable to its principal activity wholly undertaken in the United Kingdom.

5. Other operating income

	2017 £000	2016 £000
Net rents receivable	469	430
Foreign exchange difference - (loss)/gain	(9,387)	4,967
	<u>(8,918)</u>	<u>5,397</u>

6. Operating profit

The operating profit is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets	3,064	3,175
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	55	55
Exchange differences	9,387	(4,967)
Other operating lease rentals	2,235	2,018
Defined contribution pension cost	<u>497</u>	<u>491</u>

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

7. Auditors' remuneration

	2017 £000	2016 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	55	55
All other services	43	35
	<u>43</u>	<u>35</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £000	2016 £000
Wages and salaries	41,381	39,567
Cost of defined contribution scheme	497	491
	<u>41,878</u>	<u>40,058</u>

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

	2017 No.	2016 No.
Travel consultants	650	609
Management and administration	340	346
	<u>990</u>	<u>955</u>

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

9. Directors' remuneration

	2017 £000	2016 £000
Directors' emoluments	2,734	2,819
Company contributions to defined contribution pension schemes	88	93
	<u>2,822</u>	<u>2,912</u>

During the year retirement benefits were accruing to 13 directors (2016 - 12) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £386,818 (2016 - £392,529).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £26,500 (2016 - £26,500).

Key management

Key management consists of the directors. The compensation paid to the key management for employee services is the same as the directors.

10. Income from investments

	2017 £000	2016 £000
Dividends received from listed investments	965	916
	<u>965</u>	<u>916</u>
Dividends received from unlisted investments	4,375	3,057
	<u>4,375</u>	<u>3,057</u>

11. Interest receivable

	2017 £000	2016 £000
Other interest receivable	2,559	2,853
	<u>2,559</u>	<u>2,853</u>

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

12. Taxation

	2017 £000	2016 £000
Corporation tax		
Current tax on profits for the year	1,765	3,800
Adjustments in respect of previous periods	(19)	(15)
	<u>1,746</u>	<u>3,785</u>
Total current tax	<u>1,746</u>	<u>3,785</u>
Deferred tax		
Movement in valuation of assets	2,161	(613)
Total deferred tax	<u>2,161</u>	<u>(613)</u>
Taxation on profit on ordinary activities	<u>3,907</u>	<u>3,172</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2016 - the same as) the standard rate of corporation tax in the UK of 20% (2016 - 20%) as set out below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	<u>23,730</u>	<u>19,437</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	4,746	3,903
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(2,779)	83
Capital allowances for year in excess of depreciation	(40)	(51)
Adjustments to tax charge in respect of prior periods	9	16
Short term timing difference leading to an increase (decrease) in taxation	2,163	(612)
Other timing differences leading to an increase (decrease) in taxation	2	(183)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(186)	24
Capital gains	25	-
Other differences leading to an increase (decrease) in the tax charge	(33)	(8)
Total tax charge for the year	<u>3,907</u>	<u>3,172</u>

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

13. Dividends

	28 February 2017 £000	29 February 2016 £000
Dividends	3,000	2,000
	<u>3,000</u>	<u>2,000</u>

14. Exceptional items

	2017 £000	2016 £000
Impairment of investment in subsidiary	-	600
	<u>-</u>	<u>600</u>

15. Tangible fixed assets

	Freehold property £000	Leasehold buildings £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation						
At 1 March 2016	27,383	3,162	21,989	123	8,975	61,632
Additions	311	114	2,111	-	960	3,496
Disposals	-	-	(3,355)	-	(1,214)	(4,569)
At 28 February 2017	<u>27,694</u>	<u>3,276</u>	<u>20,745</u>	<u>123</u>	<u>8,721</u>	<u>60,559</u>
Depreciation						
At 1 March 2016	4,150	2,437	17,212	80	7,307	31,186
Charge for the period on owned assets	577	98	1,899	12	479	3,065
Disposals	-	-	(3,355)	-	(1,214)	(4,569)
At 28 February 2017	<u>4,727</u>	<u>2,535</u>	<u>15,756</u>	<u>92</u>	<u>6,572</u>	<u>29,682</u>
Net book value						
At 28 February 2017	<u>22,967</u>	<u>741</u>	<u>4,989</u>	<u>31</u>	<u>2,149</u>	<u>30,877</u>
At 29 February 2016	<u>23,233</u>	<u>725</u>	<u>4,777</u>	<u>42</u>	<u>1,668</u>	<u>30,445</u>

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

15. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	28 February 2017 £000	29 February 2016 £000
Freehold	22,967	23,233
Long leasehold	331	330
Short leasehold	410	395
	<u>23,708</u>	<u>23,958</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	28 February 2017 £000	29 February 2016 £000
Plant and machinery	-	586
	<u>-</u>	<u>586</u>

Cost or valuation at 28 February 2017 includes £548,000 derived from professional valuations made in 1987 on the basis of open market value for continuing use in accordance with the Statement of Assets Valuation Practice No.4 and the Guidance Notes of The Royal Institution of Chartered Surveyors and £836,000 derived from professional valuations made on 26 February 1999. Valuations were made on the basis of open market value for continuing use by two firms of chartered surveyors, Lewis Craig and Harpers. These valuations have been frozen, as the company took advantage of the transitional provisions on the adoption of FRS 15 and the subsequent FRS 102 transitional provisions to permit previous valuations to be 'deemed cost' on transition date.

At the year end the cost and depreciation carried forward for long leasehold properties was £423,195 (2016: £423,195) and £97,952 (2016: £87,325) respectively.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	28 February 2017 £000	29 February 2016 £000
Cost	27,314	27,059
Accumulated depreciation	(7,636)	(7,560)
Net book value	<u>19,678</u>	<u>19,499</u>

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

16. Fixed asset investments

	Investments in subsidiary companies £000	Listed investments £000	Unlisted investments £000	Total £000
Cost or valuation				
At 1 March 2016	9,861	45,535	195	55,591
Additions	-	6,307	-	6,307
Disposals	-	(4,689)	-	(4,689)
Revaluations	-	10,108	-	10,108
At 28 February 2017	<u>9,861</u>	<u>57,261</u>	<u>195</u>	<u>67,317</u>
Net book value				
At 28 February 2017	<u>9,861</u>	<u>57,261</u>	<u>195</u>	<u>67,317</u>
At 29 February 2016	<u>9,861</u>	<u>45,535</u>	<u>195</u>	<u>55,591</u>

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

16. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Country incorporated	Holding	Principal activity
Trailfinders Ireland Limited	Republic of Ireland	100 %	Travel organiser
Bloomfield Wilderness Lodge Pty. Limited*	Australia	100 %	Rental property
Mount Louis Grazing Pty. Limited*	Australia	100 %	Farmland
Trailfinders Pty. Limited	Australia	100 %	Investment holding
Trailfinders (Australia) Pty. Limited*	Australia	100 %	Dormant
Hinterland Aero Engineering Pty. Limited*	Australia	100 %	Dormant

* wholly owned by Trailfinders Pty Limited

Listed investments are long term investments and have therefore been classified under fixed asset investments.

Unlisted investments include £195,000 in respect of 195,000 ordinary £1 shares in Britannic Group (Holdings) Limited, which represents 48.75% of the share capital of that company. As the company does not exercise significant influence over the financial and operating policy of Britannic Group (Holdings) Limited, the results of that company are not incorporated into these financial statements. Britannic Technologies Limited is a fully owned subsidiary of Britannic Group (Holdings) Limited.

Britannic Group (Holdings) Limited is incorporated in Great Britain and registered in England and Wales. The consolidated capital and reserves of Britannic Group (Holdings) Limited at 31 March 2016, being the latest available audited accounts, amounted to £3,922,964 (2015: £2,955,429) and the profit after taxation for the year ended 31 March 2016 amounted to £1,067,535 (2015: £707,749).

Listed investments

The fair value of the listed investments at 28 February 2017 was £57 m (2016 - £45m).

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

Impairment of investment in subsidiary undertaking

	28 February 2017 £000	29 February 2016 £000
Impairment as at 1 March 2016	(12,600)	(12,000)
Impairment in the year	-	(600)
Impairment as at 28 February 2017	(12,600)	(12,600)

17. Investment property

	Freehold investment property £000
Valuation	
At 1 March 2016	9,280
At 28 February 2017	9,280

The 2016 valuations were made by Fifield Glyn Chartered Surveyors, on an open market value for existing use basis. The directors have reviewed the value of the properties as at 28 February 2017 and consider there to be no material difference to the external valuation carried out in the year to 29 February 2016.

At 28 February 2017

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	28 February 2017 £000	29 February 2016 £000
Historic cost	3,448	3,448
	3,448	3,448

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

18. Stocks

	28 February 2017 £000	29 February 2016 £000
Immunisation and travel accessories	89	102
	<u>89</u>	<u>102</u>

19. Debtors

	28 February 2017 £000	29 February 2016 £000
Trade debtors	1,446	883
Other debtors	1,318	2,531
Prepayments and accrued income	2,660	2,349
Tax recoverable	187	-
	<u>5,611</u>	<u>5,763</u>

20. Current asset investments

	28 February 2017 £000	29 February 2016 £000
Unlisted investments	111,002	130,885
	<u>111,002</u>	<u>130,885</u>

Unlisted investments relate to monies held on deposit that mature in more than 3 months from the balance sheet date.

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

21. Cash and cash equivalents

	28 February 2017 £000	29 February 2016 £000
Cash at bank and in hand	215,599	163,766
	<u>215,599</u>	<u>163,766</u>

The company established a trust on 15 June 1993 to hold and safeguard amounts received from the customers. The amounts held on trust are represented by bank balances. Amounts held on trust are only available to settle liabilities arising from the customers' travel arrangements and related services and the company's profit margin thereon. Interest arising from the funds held on trust belongs to the company

The trust account also holds Irish funds which remain as amounts payable to Trailfinders Ireland Limited.

22. Creditors: Amounts falling due within one year

	28 February 2017 £000	29 February 2016 £000
Trade creditors	151,138	134,232
Amounts owed to group undertakings	31,160	26,610
Corporation tax	-	1,111
Other taxation and social security	1,502	1,162
Obligations under finance lease and hire purchase contracts	-	326
Other creditors	4,124	3,327
Accruals and deferred income	5,309	4,573
	<u>193,233</u>	<u>171,341</u>

Other creditors includes £757,060 (2016: £121,243) due to M D W Gooley, a director of the company. The amount is interest free.

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

	28 February 2017 £000	29 February 2016 £000
Deferred income	3,067	-
	<u>3,067</u>	<u>-</u>

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

24. Financial instruments

	28 February 2017 £000	29 February 2016 £000
Financial assets		
Financial assets measured at fair value through profit or loss	215,794	163,961
Financial assets that are debt instruments measured at amortised cost	113,762	134,297
	<u>329,556</u>	<u>298,258</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(191,728)	(168,741)
	<u>(191,728)</u>	<u>(168,741)</u>

Financial assets measured at fair value through profit or loss comprise of unlisted investments in Britannic Group (Holdings) Limited and cash at bank.

Financial assets that are debt instruments measured at amortised cost comprise of short term investments in bonds, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts due to parent undertakings, other creditors and accruals.

25. Deferred taxation

	2017 £000	2016 £000
At beginning of year	(1,743)	(2,356)
Charged to profit or loss	(2,161)	613
At end of year	<u>(3,904)</u>	<u>(1,743)</u>

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

25. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	28 February 2017 £000	29 February 2016 £000
Revaluation of investment properties	(2,900)	(739)
Revaluation of listed investments	(1,004)	(1,004)
	<u>(3,904)</u>	<u>(1,743)</u>

26. Share capital

	28 February 2017 £000	29 February 2016 £000
Shares classified as equity		
Allotted, called up and fully paid		
940,800 Ordinary shares of £0.10 each	<u>94</u>	<u>94</u>

27. Reserves**Share premium account**

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Revaluation reserve

Revaluation reserve records the surplus arising on the valuation of property held for own use of the company in prior years.

Capital redemption reserve

Capital redemption reserve records the nominal value of shares repurchased by the company

Other reserves

Capital reserves are funds that are for capital expenditure projects only.

Profit and loss account

Profit and loss includes all current and prior periods retained profit.

Included within the reserve is £22,841,582 (2016: £11,234,091) of unrealised gains which are non distributable.

TRAILFINDERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

28. Contingent liabilities

The company has given guarantees and indemnities at 28 February 2017 amounting to £1,687,421 (2016: £1,685,924) to travel suppliers and in respect of travel agency bonds. Barclays Bank plc holds a charge over £2.075 million of cash deposits in relation to these indemnities and bonds. Barclays Bank plc also hold a charge over £3.777 million in relation to indemnities and guarantees provided on behalf of Trailfinders Ireland Limited in respect of travel suppliers and agency bonds within Ireland.

29. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £532,767 (2016: £490,775). Contributions totalling £nil (2016: £nil) were payable to the fund at the balance sheet date were included in creditors.

30. Commitments under operating leases

At 28 February 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	28 February 2017 £000	29 February 2016 £000
Not later than 1 year	2,050	2,170
Later than 1 year and not later than 5 years	6,251	6,909
Later than 5 years	2,857	3,558
	<u>11,158</u>	<u>12,637</u>

TRAILFINDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

31. Related party transactions

The company has taken advantage of the exemption to disclose related party transactions with companies that are wholly owned within the group.

A director of the company, is a partner with William Heath & Co. solicitors, whose firm is one of those instructed by the company in the ordinary course of business on legal matters. During the year the company has been charged £14,832 (2016: £14,758) by William Heath & Co for legal services.

During the year the company purchased goods and services to the value of £1,316,593 (2016: £845,917) from Britannic Technologies Limited. The balance owed to Britannic Technologies Limited at the year end was £nil (2016: £nil)

During the year the company made donations of £3,700,000 (2016: £3,500,000) to the Mike Gooley Trailfinders Charity, a registered charity. The directors of the company, are trustees of the charity.

An amount of £271,560 (2016: £271,560) is due from Trailfinders Sports Club Limited, a company owned by two of the company's directors. During the year the company was charged £166,429 (2016: £298,001) by Trailfinders Sports Club Limited for sponsorship and other various services.

During the year the company was charged £1,589,250 (2016: £1,500,000) by Ealing Trailfinders Professional Rugby Management, for sponsorship and various other services, this is a company controlled by a director of the company. At the year end an amount of £297,445 (2016: £300,00) is due from Ealing Trailfinders Professional Rugby Management, a company owned by two of the company's directors

During the year the company was charged £70,000 (2016: £62,175) by Ealing Trailfinders Cricket Club Limited, for sponsorship and various other services, this company is jointly controlled by two directors of the company. At the year end there were no outstanding amounts.

At the year end the company owed the director M Gooley £757,060 (2016: £121,243) after a net movement of £635,817 during the year.

32. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent and controlling party is Trailfinders Group Limited, a company registered in England and Wales.

Trailfinders Group Limited prepares group financial statements and copies can be obtained from 23 Abingdon Road, London, W8 6AL. The ultimate control of the company and the Group rests with M D W Gooley, the Group Chairman.