

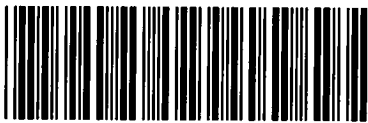
**Abercrombie and Kent Limited**

**Annual report and financial statements**

**Registered number 01082430**

**31 December 2016**

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## Strategic report

### Business review and principal activities

The company operates as a tour operator and travel agent.

In 2016 the company achieved sales of £57,312,000 a 12% increase over the 2015 level, with strong sales to destinations such as the USA, South Africa, India, Ecuador and Japan. This increase was achieved despite a lack of resurgence in sales to Middle-Eastern and North African destinations due to the continued unrest in these regions.

The company had positive cash flow and a year-end cash and cash equivalents balance of £8,867,000.

The business is controlled by monitoring key performance indicators including weekly bookings, conversion rates and margins. These are commercially sensitive and consequently have not been reproduced here.

### Principal risks and uncertainties

The travel industry is a competitive industry. Abercrombie and Kent Limited manages this risk by providing high quality innovative travel products and value added services often owned and managed by other Group companies. Fast response times were achieved not only in supplying detailed travel itineraries, but also in handling all customer queries and by maintaining strong relationships with both clients and suppliers.

The company buys and sells in various foreign currencies and is therefore exposed to the movements against sterling and the euro. The company matches buy and sell currencies where possible to eliminate this risk and where this cannot be done the company's treasury function looks to take out forward exchange contracts to manage the risk.

### Expansion and future prospects

The Directors' consider Abercrombie and Kent Limited to be in a strong position in the markets in which it operates and anticipates another successful year of growth in 2017. Strong bookings in the first half of the year reflect business success in both broadening its appeal to its core target markets, and in attracting a new breed of A&K traveller. Growth continues to be delivered through both product innovation and reducing acquisition costs through building new routes to market. Whilst we continue to communicate and focus on our "accessibility" message, the continued growth of our Chairman's Club revenue reinforces A&K's excellence in HNW travel concierge.

On behalf of the Board



**RA Brown**  
Director

St Georges House  
Ambrose Street  
Cheltenham  
Gloucestershire  
GL50 3LG

17<sup>th</sup> May 2017

## Directors' report

### Proposed dividend

The directors do not recommend the payment of a dividend (2015: £nil).

### Directors

The directors who held office during the year were as follows:

JB Kent resigned on 24 October 2016

BE Fichte

RA Brown

KE Golds

### Employees

Abercrombie & Kent Limited is an equal opportunities employer.

The company maintains close consultation with its employees on matters that are likely to affect their interests and is committed to involving them in the performance and development of the business. Periodic presentations are made to all staff by the directors and at these sessions, questions and issues raised by staff are answered.

### Environmental statement

Abercrombie & Kent Limited is deeply committed to worldwide conservation. We believe that the preservation of our natural and cultural heritage is best accomplished through the sustained unification of environmental and economic goals.

Our goal is to provide long-term support for existing natural ecosystems to ensure that human populations, flora and fauna continue to survive and coexist successfully. Our vision includes working together with local people and regional non-government organizations to inspire and develop sound community health and conservation practices and assist in mitigating global climate change.

### Political and charitable contributions

The Company made a political donation of £40,000 in the year (2015: £nil) to Zac Goldsmith in relation to his London mayoral campaign. No political expenditure was incurred during the year (2015: £nil). Donations to Abercrombie & Kent Philanthropy totaled £58,000 in the year to 31 December 2016 (2015: £47,000).

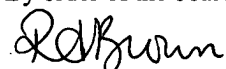
### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**RA Brown**  
Director

St Georges House  
Ambrose Street  
Cheltenham  
Gloucestershire  
GL50 3LG

17<sup>th</sup> May 2017

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP  
66 Queen Square  
Bristol  
BS1 4BE  
United Kingdom

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERCROMBIE AND KENT LIMITED**

We have audited the financial statements of Abercrombie and Kent Limited for the year ended 31 December 2016 set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERCROMBIE AND KENT LIMITED**  
*(continued)*

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

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

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

*Kate Teal*

**Kate Teal (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
66 Queen Square  
Bristol  
BS1 4BE

*22 May* 2017

**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2016*

	<i>Note</i>	<b>2016</b> <b>£000</b>	<b>Restated</b> <b>2015</b> <b>£000</b>
<b>Turnover</b>	<i>1,2</i>	<b>57,312</b>	<b>51,262</b>
Cost of sales		<b>(47,190)</b>	<b>(41,371)</b>
<b>Gross profit</b>		<b>10,122</b>	<b>9,891</b>
Administrative expenses		<b>(11,723)</b>	<b>(9,846)</b>
<b>Operating (loss)/profit</b>	<i>3</i>	<b>(1,601)</b>	<b>45</b>
Other interest receivable and similar income	<i>7</i>	<b>57</b>	<b>127</b>
Interest payable and similar expenses	<i>8</i>	<b>(383)</b>	<b>(20)</b>
Other income		<b>293</b>	<b>-</b>
<b>(Loss)/profit before taxation</b>		<b>(1,634)</b>	<b>152</b>
Tax credit/(charge) on (loss)/profit	<i>9</i>	<b>355</b>	<b>(102)</b>
<b>(Loss)/profit after taxation</b>		<b>(1,279)</b>	<b>50</b>
<b>Other comprehensive income for the year, net of income tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(1,279)</b>	<b>50</b>

The notes on pages 9 to <sup>21</sup>~~22~~ form an integral part of these financial statements.



**Balance Sheet**  
*at 31 December 2016*

	<i>Note</i>	<b>2016</b>	<b>Restated 2015</b>
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Intangible assets	10	349	30
Tangible assets	11	548	423
Investments	12	-	-
		<hr/>	<hr/>
		897	453
<b>Current assets</b>			
Stocks	13	84	35
Debtors	14	8,986	8,874
Investments	15	53	84
Cash at bank and in hand		8,867	7,836
		<hr/>	<hr/>
		17,990	16,829
<b>Creditors: amounts falling due within one year</b>	16	(18,861)	(15,977)
		<hr/>	<hr/>
<b>Net current (liabilities)/assets</b>		(871)	852
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		26	1,305
		<hr/>	<hr/>
<b>Creditors: amounts falling due after more than one year</b>		-	-
		<hr/>	<hr/>
<b>Net assets</b>		26	1,305
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	18	500	500
Profit and loss account		(474)	805
		<hr/>	<hr/>
<b>Shareholders' funds</b>		26	1,305
		<hr/>	<hr/>

The notes on pages 9 to <sup>21</sup>~~22~~ form part of the financial statements.

These financial statements were approved by the board of directors on 17<sup>th</sup> May 17 and were signed on its behalf by:



**RA Brown**  
*Director*

Company registered number: 01082430

## Statement of Changes in Equity

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2015	500	1,150	1,650
Correction of an error related to a previous year (note 1.2)	-	(395)	(395)
Balance at 1 January 2015 (restated)	500	755	1,255
<b>Total comprehensive income for the period</b>			
Profit for the period (restated)		50	50
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	50	50
<b>Balance at 31 December 2015</b>	<b>500</b>	<b>805</b>	<b>1,305</b>

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2016	500	805	1,305
<b>Total comprehensive income for the period</b>			
Loss for the year	-	(1,279)	1,279
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(1,279)	(1,279)
<b>Balance at 31 December 2016</b>	<b>500</b>	<b>(474)</b>	<b>26</b>

The notes on pages 9 to 22 form an integral part of these financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Abercrombie and Kent Limited (the “Company”) is a company incorporated, domiciled and registered in the UK. The registered number is 01082430 and the registered address is St Georges House, Ambrose Street, Cheltenham, GL50 3LG.

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”). The amendments to FRS 101 (2015/15 Cycle) issued in July 2016 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company’s ultimate parent undertaking, Abercrombie & Kent Group of Companies S.A includes the Company in its consolidated financial statements. The consolidated financial statements of Abercrombie & Kent Group of Companies S.A are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Registre de Commerce et des Sociétés, L-2961, Luxembourg.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- IFRS 2 *Share Based Payments* in respect of group settled share based payments;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties; and
- Disclosures in respect of the compensation of Key Management Personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 31 December 2016 for the purposes of the transition to FRS 101.

No materially significant judgements have been made by the directors in the application of these accounting policies.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments; and financial instruments classified as fair value through the profit or loss.

#### 1.2 Prior Year adjustments

A prior year adjustment has been recognised in relation to a cash-settled share based payment arrangement for certain of the company's employees which had previously been recorded only by the ultimate parent Company. However it was established in 2016 that this arrangement, which commenced in 2013, should have been recorded as a share option arrangement by Abercrombie & Kent Limited as the employee services which the option arrangement related to were provided to the entity.

The share based payment adjustment has resulted in; an increase in administrative expenses of £345,000 for the year ended 31 December 2015 and £393,000 cumulative expense in relation to 2013 and 2014 and an increase in interest payable of £20,000 for the year ended 31 December 2015 and cumulative £2,000 in relation to 2013 and 2014. As a result accruals have increased by £760,000 as at 31 December 2015 and by £395,000 as at 31 December 2014 with the same reduction in net assets. There was no effect on the cash flow statement except for the change in profit and creditor movement.

#### 1.3 Going concern

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities, which is covered by a letter of support from Abercrombie & Kent Group of Companies S.A. The company is dependent for its working capital on funds provided to it by A&K Sarl (formerly Abercrombie & Kent Group of Companies SA) ("the Group"), the company's intermediate parent. The Group has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that the Group will not both be able to support, and will support, the company for the foreseeable future including covering third party obligations as they fall due.

#### 1.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### 1.5 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

##### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5 Non-derivative financial instruments (continued)

##### *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Investments in equity securities*

Investments are stated at amortised cost less impairment.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances.

#### 1.6 Derivative financial instruments

##### *Derivative financial instruments*

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

#### 1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Leasehold improvements	-	straight line over period of lease
Fixtures and fittings	-	15% straight line
Motor vehicles	-	25% straight line
Computer and office equipment	-	25% straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

#### 1.8 Intangible fixed assets

##### *Other intangible assets*

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of an intangible asset acquired in a business combination is its fair value at the acquisition date.

##### *Amortisation*

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Computer software	-	25% straight line
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#### 1.9 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.10 Impairment excluding stocks and deferred tax assets

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### 1.11 Employee benefits

##### *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### *Termination benefits*

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

##### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

#### 1.12 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.13 Turnover

Turnover relating to the sale of tours organised by the Company is recognised as the total amount receivable by the company for goods supplied and service provided, excluding Value Added Tax.

Part of the Company's business is to act as a travel agent. Revenue from these transactions is recognised through the commission that the company earns.

In both instances, revenue is recognised on the date of holiday departure and related costs of holidays are charged to the profit and loss account on the same basis.

Substantially all of the turnover is derived from customers in the UK.

#### 1.14 Expenses

##### *Operating lease payments*

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

##### *Interest receivable and Interest payable*

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

#### 1.15 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

## Notes (continued)

### 2 Turnover

	2016 £000	2015 £000
Rendering of services	57,312	51,262

All sales are from the United Kingdom

### 3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2016 £000	2015 £000
Depreciation of owned fixed assets	236	245
Operating lease costs:		
Land and buildings	378	277
Auditor's remuneration:		
Audit of these financial statements	33	30
Audit – related assurance services	2	2
Amounts receivable by the Company's auditor and its associates in respect of:		
Taxation compliance services	5	4

### 4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2016	2015
Administration	12	12
Selling and distribution	106	95
	118	107

The aggregate payroll costs of these persons were as follows:

	2016 £000	Restated 2015 £000
Wages and salaries	6,403	4,227
Social security costs	838	512
Contributions to defined contribution plans	136	107
Share based payment	2,019	345
	9,396	5,191



## Notes (continued)

### 5 Employee benefits

#### Defined contribution plans

The Company operates a defined contribution pension plan.

The total expense relating to these plans in the current year was £136,000 (2015: £107,000)

### 6 Directors' remuneration

	2016 £000	Restated 2015 £000
Directors' remuneration	1,621	572
Company contributions to money purchase pension plans	17	11
	<u>1,638</u>	<u>583</u>

The aggregate of remuneration of the highest paid director was £1,546,000 (2015 restated: £506,000), and company pension contributions of £8,000 (2015: £8,000) were made to a money purchase scheme on their behalf. During the year, the highest paid director exercised share options under a long term incentive scheme.

	Number of directors 2016	2015
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	<u>2</u>	<u>2</u>

The number of directors who exercised share options were 1 (2015: £nil).

### 7 Other interest receivable and similar income

	2016 £000	2015 £000
Net gain on financial instruments designated as fair value through profit or loss	-	85
Interest receivable	<u>57</u>	<u>42</u>
Total interest receivable and similar income	<u>57</u>	<u>127</u>

## Notes (continued)

### 8 Interest payable and similar expenses

	2016 £000	2015 £000
Net foreign exchange loss	383	20

### 9 Taxation

#### Recognised in the profit and loss account

##### Analysis of (credit)/charge in the year

	2016 £000	2015 £000
<i>UK Corporation tax</i>		
Current tax on income for the period	-	131
Over provided in prior years	(4)	-
Total current tax (credit) / charge	(4)	131
<b>Deferred tax</b>		
Origination and reversal of timing differences	(351)	(29)
Total tax (credit) / charge	(355)	102

#### Reconciliation of effective tax rate

	2016 £000	Restated 2015 £000
(Loss) / Profit for the year	(1,279)	50
Total tax (credit)/expense	(355)	102
(Loss) / Profit excluding taxation	(1,634)	152
<i>Tax using the UK corporation tax rate of 20% (2015: 20.25%)</i>	(479)	30
Expenses not deductible for tax purposes	32	111
Depreciation for period in excess of capital allowances	(21)	(20)
Reduction in tax rate on deferred tax balances	117	4
Over provided in prior years	(4)	(23)
Total tax (credit)/charge (see above)	(355)	102

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

## Notes (continued)

### 10 Intangible fixed assets

	Computer Software £000
<b>Cost</b>	
Balance at 1 January 2016	120
Acquisitions	333
Disposals	(13)
	<hr/>
Balance at 31 December 2016	440
	<hr/>
<b>Amortisation and impairment</b>	
Balance at 1 January 2016	90
Amortisation charge for the year	14
Amortisation on disposals	(13)
	<hr/>
Balance at 31 December 2016	91
	<hr/>
<b>Net book value</b>	
At 1 January 2016	30
	<hr/>
<b>At 31 December 2016</b>	<b>349</b>
	<hr/>

### 11 Tangible fixed assets

	Leasehold improvements £000	Fixtures and fittings £000	Motor vehicles £000	Computer and office equipment £000	Total £000
<b>Cost</b>					
Balance at 1 January 2016	1021	282	192	1,108	2,603
Acquisitions	-	14	292	41	347
Disposals	(515)	(41)	-	(690)	(1,246)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	506	255	484	459	1,704
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation and impairment</b>					
Balance at 1 January 2016	773	241	192	974	2,180
Depreciation charge for the year	126	25	-	71	222
Disposals	(515)	(41)	-	(690)	(1,246)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	384	225	192	355	1,156
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 1 January 2016	248	41	-	134	423
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2016</b>	<b>122</b>	<b>30</b>	<b>292</b>	<b>104</b>	<b>548</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

## Notes (continued)

### 12 Fixed asset investments

	Shares in group undertakings £
<i>Net book value</i>	
At 1 January 2016 and 31 December 2016	1

The Company has the following investments in subsidiaries:

	Country of Incorporation	Class of shares held	Ownership 2016	2015
Private Travel Limited (dormant)	England and Wales	Ordinary	100%	100%

### 13 Stocks

	2016 £000	2015 £000
Branded consumables	84	35

### 14 Debtors

	2016 £000	2015 £000
Trade debtors	726	420
Amounts due by group undertakings	2,369	3,259
Other debtors	101	110
Deferred taxation (Note 17)	389	38
Deferred card payments receipts held by Barclaycard	1,335	995
Prepayments and accrued income	4,066	4,052
	8,986	8,874

Deferred card payments of £1,335,000 (2015: £995,000) represent credit and debit card payments by customers which are held by Barclaycard for 30 days (2015: 30 days) before being released to the company.

## Notes (continued)

### 15 Current asset investments and other financial assets

	2016 £000	2015 £000
<b>Current asset investments</b>		
Other financial instruments	53	84
	<u>53</u>	<u>84</u>

### 16 Creditors: amounts falling due within one year

	2016 £000	Restated 2015 £000
Subordinated loan	1,110	1,110
Payments received on account	10,706	10,051
Trade creditors	746	442
Amounts owed to group undertakings	3,740	1,163
Taxation and social security	140	477
Accruals and deferred income	2,419	2,734
	<u>18,861</u>	<u>15,977</u>

The subordinated loans are subject to an agreement with the civil aviation authority who have to approve any repayments that may be made and the debt is non-interest bearing.

### 17 Deferred taxation

	2016 £000
Deferred tax asset at beginning of year	38
Deferred tax asset provided for the year (note 9)	351
<b>Deferred tax asset at end of year</b>	<u>389</u>

The elements of deferred taxation are as follows:

	2016 £000	2015 £000
Difference between accumulated depreciation and amortisation and capital allowances	(8)	38
Deferred taxes resulting from trade losses	397	-
<b>Deferred tax asset</b>	<u>389</u>	<u>38</u>

## Notes (continued)

### 18 Capital

#### Called up share capital

	2016 £000	2015 £000
<i>Authorised:</i>		
500,000 ordinary shares of £1 each	500	500
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
500,000 ordinary shares of £1 each	500	500
	<hr/>	<hr/>

### 19 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2016 £000	2015 £000
Less than one year	353	521
Between one and five years	276	1,210
More than five years	-	-
	<hr/>	<hr/>
	629	1,731
	<hr/>	<hr/>

During the year £378,000 was recognised as an expense in the profit and loss account in respect of operating leases (2015: £277,000).

### 20 Related parties

During the year, the Company incurred and recharged payroll related expenditure on behalf of Friends of Conservation, a charity related by common directorship with Abercrombie & Kent Inc., amounting to £25,000 (2015: £21,000). At the year end, the outstanding balance totalled £nil (2015: £nil).

The company has a loan from a group company which is subject to a subordination agreement with the Civil Aviation Authority, see note 16.

## Notes (continued)

### 20 Related parties (continued)

	Sales to		Net administrative expenses incurred to	
	2016 £000	2015 £000	2016 £000	2015 £000
Parent	-	-	-	-
Subsidiaries	184	38	(9,346)	(7,377)
	<u>184</u>	<u>38</u>	<u>(9,346)</u>	<u>(7,377)</u>

The parent refers to Abercrombie & Kent Group of Companies S.A, and the subsidiaries with reference to this disclosure are all subsidiaries of Abercrombie & Kent Group of Companies S.A

	Receivables outstanding		Creditors outstanding	
	2016 £000	2015 £000	2016 £000	2015 £000
Parent	-	-	2,761	1,100
Subsidiaries	2,369	3,259	2,089	1,163
	<u>2,369</u>	<u>3,259</u>	<u>4,850</u>	<u>2,263</u>

### 21 Ultimate parent company and parent company of larger group

The company is controlled by Abercrombie & Kent Group of Companies S.A, the parent company (see note 1 for registered office). Until September 2016 the ultimate controlling party was A&K Cayman LP. A&K Cayman LP was owned indirectly by funds managed by Fortress Investment Group LLC ("Fortress"). In September 2016, Yan Zhao Global Limited which is incorporated in the British Virgin Islands, acquired Fortress' entire shareholding and part of the minority shareholders' shareholding of Abercrombie & Kent Group of Companies S.A, the parent company.

The largest group in which the results of the company are consolidated is that headed by Abercrombie & Kent Group of Companies S.A., incorporated in Luxembourg (see note 1). The consolidated financial statements of the group are available to the public and may be obtained from Luxembourg "Registre de Commerce et des Societes".