The Collinson Group Limited

Directors' report and financial statements
Registered number 02577557
For the year ended 30 April 2014

Contents

Strategic report

The directors present the strategic report for the year ended 30 April 2014.

Colin Evans, Chairman

Drawing together a unique breadth of solutions

"The financial year 2013-14 marked an important milestone in our history. After many years of exceptional performance and growth, defying global economic downturn, the group now has re-launched under a clearer unifying identity and structure, coming together under the collective brand "Collinson Group." Years of innovation, investment, commitment and hard work has created strong, specialist component companies which have grown independently and are successful in their own right. The decision to better represent the group as a united set of capabilities was prompted by a desire to better leverage the skills and expertise that we have to drive increased value for existing and new clients and in doing so help deliver the fastest levels of growth in our history. Most significantly, the unified organisation and brand identity gives us an unprecedented edge over our competitors and makes us unique in the marketplace; no other company can offer our breadth and depth of capability on a global scale.

The rebrand enables us to bring our capabilities together more clearly, elevating conversations to a more strategic level with existing and prospective clients. We already work with key global players across multiple parts of the Group and increasingly they are benefitting from products and services from multiple business units. We are already seeing increasing interest from our largest clients in broadening their relationship with Collinson Group, leveraging what are already strong strategic relationships developed through many years of working together. Most of our largest clients have been working with us for over 10 years.

In order to deliver our mid and long term objectives and accelerate our growth we have invested in a number of senior roles within central Collinson Group team, bringing in talent to harness our expertise across the globe. This includes an HR Director, Sales Director, Marketing Director and Chief Financial Officer (CFO). The new appointments have in turn led to a number of exciting new initiatives across respective portfolios; a talent management programme and investment in our internal Learning and Development team; new brand identities for Collinson Group, Intana, Astrenska and Collinson Latitude and inclusion of Columbus Direct under the umbrella retail business Columbus Insurance Services; better business development activities and new business wins; and enhanced financial stewardship, reporting, planning and cash management. We are, as a result, better leveraging the skills and knowledge that we have within the Group and moving towards a more efficient operating structure through sharing offices, systems, back office and shared services.

Centralising resources not only enables efficiencies of scale, but also fuels innovation through Collinson Group's unique variety of related businesses. The creation of a product and proposition development team enables us to rapidly bring innovation to market and more quickly meet the ever-changing market demands, keeping us ahead of our competition. Additionally this more centralised structure unites the expertise that had historically developed independently across the Group. The most significant of these functions comprise supplier and partnership management, customer services, data management and analytics, and technology development.

New business acquisitions

Following the announcement in April 2013, this year also saw the completion of the acquisition of Aria Assistance (Aria). This was a major step forward for Collinson Group's insurance and assistance strategy as the move strengthened the Group's underwriting capacity, and significantly grew our presence in the claims and assistance sectors. The acquisition has also led to the Group's ability to provide end-to-end insurance solutions, as well as unique, standalone assistance products in the personal accident and health markets. The network management processes complement the partnership management teams across the Group, whilst our global customer service capacity has increased to over 300 agents speaking 18 languages 24 hours 365 days of the year.

The synergistic value of this acquisition is demonstrated by the high value of new business wins created in the assistance and insurance including; Aviva Travel Insurance, MapFre, Aviva household (Debenhams), American Express, Legal & General, Kwik Fit and Tui.

Strategic report (continued)

The group has continued to seek out the right opportunities for acquisitions that complement our existing capability, particularly to enable us to deliver a more complete offering to financial services. In line with this approach and subsequent to this fiscal year, we acquired Welcome Real-time, a point of payment loyalty technology company, in September 2014 which makes us one of the only companies able to truly deliver end to end customer management with integration of both on and off line activity to create a full 360 degree view of the customer. The company has 18 years' experience in developing unique payment-based loyalty solutions and a strong client base within financial services across EMEA, Americas and APAC and Emerging Markets. Welcome Real-time employs 70 specialists with offices in Paris, Aix, Singapore and Sao Paulo. Today their technology already reaches 100m consumers, processing 3m loyalty transactions daily with 1m merchants. This acquisition brings together within Collinson Group a very powerful combination of experience, skills and technology. Our portfolio now includes the advanced earning and redemption platforms we have within Collinson Latitude, the full service loyalty capability provided by ICLP – and now with the technology developed by Welcome Real-time – the ability to provide special offers, points redemption and other real-time communications to consumers at the point of sale. This gives us a very clear point of differentiation in a rapidly developing market and tremendous confidence to improve an already impressive growth trajectory.

Investment in innovation

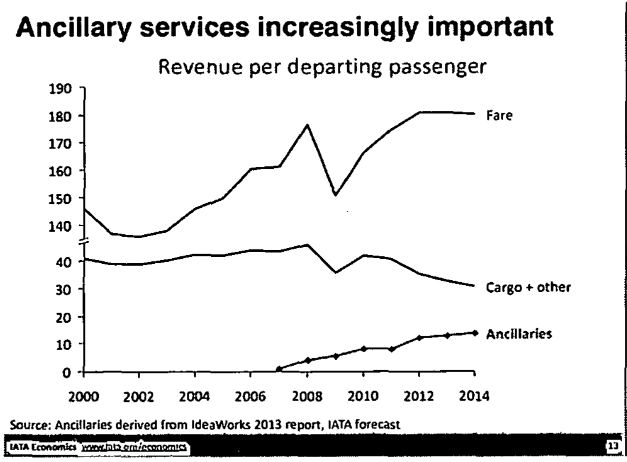
Innovation has always been core to the Group's growth and competitive strength. Our principal industries of travel and financial services are being transformed by communications technology: mobile payments, virtual currencies, and increasingly seamless integration of travel management systems. From the development of our unique customer benefits platform to the investment in RewardAll and iRedeem that put us at the cutting edge of earning and redemptions solutions to the global roll out of the most advanced lounge entry technology in the market for our Priority Pass. We continue to reinforce our position at the forefront of innovation combining advanced technology solutions with specialist expertise to be able to change customer behaviour to drive loyalty and revenue.

Business environment: building within growth industries

More than three quarters of our business is driven by the financial services and travel industries. Within those industries our core customer base and those of our clients are those within the middle class and mass affluent demographic. At a global level, this segment is set to rise dramatically and is estimated to grow by a billion by 2020. That will fuel continued growth in both financial services and travel with particular benefit to the products and services we provide. We have also aligned our footprint to the markets where the growth is expected to be highest, with offices in in Brazil, India and five across the Asia Pacific. Here we can offer not only local, on the ground expertise but also tap into global capability and understanding.

In financial services, non-cash payments were expected to grow by 9% worldwide in 2013, with reward cards representing an increasing share of spend in markets such as the US. In developed markets, we believe a combination of banks focussing on retail banking and customer service, along with demand to generate additional sources of customer revenue amidst low interest rates and falling transactional fees, will continue to drive increasing demand for our products and services. Developing markets are evolving from customer acquisition to customer development. Less hindered by legacy infrastructure and expensive branch networks, we see banks in developing markets are interested in solutions proven in more mature markets, a factor in our favour as an international business.

Strategic report (continued)



As well as being fuelled by the growth in premium credit card and bank account customers the market for our airport lounge business is also driven by the market for international air travel. Air passenger volumes have risen faster than global GDP and are expected to continue to grow over 5% per year to 2017. International travel is a cornerstone of our airline and hotel loyalty programme activity, our travel insurance business and underpins a wide variety of consumer benefits sourced or developed by Collinson Group. Amidst growing pressure on fare prices, and until recently, increasing cost and volatility of fuel prices, airlines continue to seek to extract greater value from their burgeoning frequent flyer programmes and ancillary revenue sources, driving increasing interest in Collinson Group's propositions. In parallel, we have seen increasing competition in travel customer management, with businesses such as DragonPass and CPP seeking to grow their airport lounge portfolios. However our continued investment in Priority Pass' lounge propositions mean that our member experience, our data security and reporting, our client support and our lounge network remains market leading and moving at a faster pace than all our competitors. In fact financial year 2013-14 saw key clients such as RBS switching a number of accounts to Priority Pass to be able to provide a higher level of offering to their valued customers.

Future Outlook: in pursuit of growth

Collinson Group's focus will remain in the core industries, financial services and travel. The advance of technology, the exponential growth of personal data, and increasing complexity of customer interactions, will continue to drive demand for leading expertise and functionality in shaping consumer behaviour.

The group will continue to reinvest profits to drive organic growth whilst continuing to always review strategic opportunities to grow through acquisition. Sales growth in the faster growing economies will be accompanied by greater penetration of mature markets such as North America and Western Europe. Our new structure will enhance collaboration across the Group, strengthening existing client relationships and further increasing sales growth.

A detailed three year planning exercise has been undertaken within each of the companies in the group and following financial results from 2012/13, the group set a target to double sales in five years, which we are confident of achieving. As the group continues to grow in scale, growth targets are accompanied by objectives to secure our income: the protection and growth of strategic clients, the distribution of income across regional economies and more efficient financing between diverse business models.

With over 1,500 employees, there is greater emphasis upon evolving our internal processes and structures to ensure the Group's unique values and culture continue to drive our competitive edge. Investment in our people is fundamental to our growth. In parallel, further investment in our infrastructure, including customer services and technology development will increase our capacity to support customers locally and globally with the consistent quality of service that has retained so many clients for the last two decades. Our private ownership provides us with a powerful advantage in serving these clients and directing the business for long term growth. The independence of Collinson Group is core to our culture, our performance and our continued success.

Strategic report (continued)

CFO Report. Mark Hampton, CFO.

Overview

Over the past year, Collinson Group has continued to grow and transform its business through acquisition, innovation, development of new products and international alliances. We have seen revenue increase 22% over the prior year driven by organic growth and the contribution from acquired businesses. The group has continued to post strong gross margins, providing the funds to fuel the on-going investment in new solutions for customers.

Within the Lifestyle Benefits area of the business again, performance was strong, driven by the growth in customers seeking easy access to quality airport lounges. Revenue in our insurance business also grew, driven in part by the acquisition of Aria in September 2013 which significantly boosted the group's capabilities within the UK and global assistance space. The acquisition of Aria brought over 300 new employees and two new office locations, as well as significant business wins for our assistance area of speciality. A further focus in financial year 2013-14 was strengthening the position of our loyalty brands ICLP and Collinson Latitude by developing new technologies to ensure that we were evolving the business to meet the needs of the marketplace.

Unusually for a company with our capability and international scale, Collinson Group has no debt. Our strong balance sheet and cash flow generation allows continued investment in infrastructure and product development to ensure growth into the future. Over the past 25 years we have seen considerable change in the loyalty sector and have continually looked to adapt by investing in our people and systems to ensure we offer the best solutions. Innovation is at the heart of everything we do, so we generally dedicate 5-10% of our revenue each year to research and development of new products. This investment enables us to truly understand consumer needs and create contemporary technology platforms and combined expertise to meet the ever increasing demands of tomorrow's consumer.

I joined Collinson Group in November 2013, attracted to a business anchored around loyalty but with strong diversification across different segments and geographies. Over the past year, I have been impressed by our strong management team and its commitment to delivering profitable growth. Independent ownership means that decisions can be driven by long-term ambition rather than short term reporting, as well as enabling us to be nimble and exploit the right opportunities at pace.

Five year summary

FY £000'S	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Revenue	145,237	160,830	192,665	229,378	279,630
Gross Margin	40,911	39,823	45,616	52,310	69,694
GM %	28%	25%	24%	23%	25%
Operating Margin	9,693	2,913	6,015	4,928	2,897
OM %	6.7%	1.8%	3.1%	2.1%	1.0%
FX Gains/(Losses) included in Operating Margi	240	341	-998	-978	-1,475
EBITDA	12,291	5,573	8,299	7,413	5,603
Net Cash at year end	42,010	40,449	39,349	49,638	63,058
YOY rev growth - Including Aria		11%	20%	19%	22%
YOY rev growth - Excluding Aria		11%	20%	19%	13%

Strategic report (continued)

Collinson Group is a growing business. The group has consistently delivered double digit revenue growth which in financial year 2013-14 was 22% ahead of the prior year. The success of our existing businesses is reflected in the strong gross margins, which contribute both to the overheads of the business but importantly to the ongoing investment in new products. The consequence of this is lower net margins. However, this reflects both the Board's desire to invest heavily in the future, and the approach the group has consistently adopted to expense the investment in the year in which it is incurred. We continue to be exposed to changes in foreign exchange rates. However, our wide geographic spread provides some mitigation of these risks.

Within the Group, there are a number of businesses which are at different stages of development – mature businesses which are profitable and cash generative and businesses that are more nascent but are expected to grow in the future. This strategy of continually enhancing and refreshing our product portfolio is what sits behind this strong financial performance and is one the Board is resolved to continue in the future.

Given the strong underlying performance of the business, to date the group has not had to resort to outside capital to fund this investment but has been able to call on internally generated funds to pay for investment and acquisitions.

Outlook

Going forward, we will continue to invest in the future and optimise allocation of capital and resources. Our focus will be on those opportunities that provide the potential to leverage synergies across the group and develop products and service offerings which deliver converged solutions for our current and future customers. We will continue to invest in our people with our ultimate aim being the recruitment, development and retention of the best talent in the industry. We expect our strong performance to continue with the top line benefiting from organic growth as well as from a full year contribution from Aria. Our ongoing business strategy is to continue to build on our existing capability and enhance the services we provide influence customer behaviour and drive value for banks, card issuers, airlines and retailers globally.

Our capabilities

Lifestyle Benefits

The demand for premium travel-related services continues to grow. This is in line with the growth in the mass affluent demographic, and the substantial growth in outbound international air travel from the larger BRIC and MINT economies, from which the business is well placed to benefit from due to its broad geographical spread.

Due to the current and future market growth opportunities, the competitive landscape is becoming more intense. In response to this, we have recruited new people and added new lounges to our programme. We expect to exceed 800 lounges by the end of December 2014. Additionally, we are accelerating the growth of our Airport Lounge Development business which currently operates six lounges in USA. Future growth will be achieved – not only through continued expansion of current activities but also through a strategic third party partnership which will enable us to grow at a faster rate and to open lounges outside the USA in key locations including London Heathrow.

Priority Pass continues to be the market leader in its sector offering the largest choice of airports and providing clients with a range of flexible business models to meet their precise needs. A re-engineering of our back office systems means clients can receive a more bespoke product offering which creates greater client engagement and higher product usage contributing to business growth from both the b2b and b2c sectors. The company will invest in a significant re-brand in 2015 part of which will be a digital transformation of the business and improve the customer experience through the provision of digital and mobile access to lounges. After a multi-million pound investment in hardware technology and infrastructure last year, we are well placed to embrace both current and future developments in mobile payments. The benefits of this investment will be a faster and more efficient experience for both our lounge partners and our customers, and the ability to develop new brands and products that operate solely in the digital environment.

Strategic report (continued)

In conjunction with other businesses within Collinson Group, Lifestyle Benefits is researching additional airport-related and broader travel- focused products. In doing so, we will capitalise on the trust that has developed through serving our global clients over many years and respond to their expressed desire to broaden the partnership with us. This expanded product portfolio will also help us to further expand our client base.

Loyalty

The loyalty market continues to evolve rapidly, driven by technology both in the hands of the consumer as well as behind the scenes. Continued growth in mobile and social channels, along with the emergence of a range of new and disruptive technologies, presents huge opportunities to ICLP as it uses insight and technology to create personalised dialogue and customer experience and achieve measurable commercial goals for its clients. This year, ICLP has continued its investment in data insight and analytics as a variety of digital and social data becomes available with traditional transaction data to form a deeper view of the customer.

ICLP continued its international expansion, adding a further US office in New York. In order to increase efficiency and take advantage of economies of scale, as well as to support new and smaller offices, ICLP has reorganised its offices to create a regional structure. This has been supported by a new global consultancy operation designed to capitalise on growing demand for ICLP's consulting expertise and to maximise the sharing of best practice between offices.

Whilst ICLP's traditional airline and hotel industry roots remain important, increasingly, new clients are being found in the technology, retail and financial services markets. This year, ICLP launched their new loyalty platform, available through 16 offices around the world. The technology draws on 25 years' loyalty experience and leading digital marketing expertise, and is designed to handle the complexity of the multi-channel customer relationship management (CRM) environment today and in the years ahead.

As a provider of technology platforms and content for the loyalty market, Collinson Latitude has seen a pivotal year in its maturity. A landmark partnership with Points.com brought a step change to the sales pipeline for the RewardAll ecommerce platform, with five new loyalty programme clients online within a quarter, including Virgin Atlantic and Alitalia. The business also won a contract to supply rewards to Europe's largest frequent flyer loyalty programme, Flying Blue. On the back of ongoing conversations with leading banks in the UK, Middle East and Singapore, the financial services industry is expected to be fundamental to business growth. As a result, while continuing to invest in new products, Collinson Latitude expects to turn profitable in 2014/15.

The loyalty industry is continually affected by new technology and its impact upon consumer and business behaviours. This risk is mitigated through investment in research and development and the sharing of knowledge, ensuring the business is at the forefront of industry understanding. Travel and financial services are highly regulated industries, where regulatory changes can impact operational costs significantly. The increasing role of data in the loyalty industry, in particular, presents risks in terms of customer acceptance and governmental intervention. Our processes and technology solutions are built to evolve and accommodate changes effectively, whilst we work closely with clients, partners and industry reports to pre-empt any regulatory changes likely to affect our business.

Strategic report (continued)

Insurance

The insurance business operates in a continually competitive environment, particularly UK travel insurance where the margins are thin. However, the strategy established in 2012, comprising the building of an end-to-end, multi-line insurance business, continues to progress on schedule. As well as opening the business to higher margin insurance lines, this strategy reduces the dependency upon travel insurance, and hence reduces the impact of industry-wide events. The acquisition of Aria has broadened our underwriting expertise and added significant underwriting capacity, enabling the business to write on A+ paper. Underwriting risk is the key risk to the business, and so investing in this function along with appropriate reinsurance, is a key step to mitigate this risk. Together with the acquisition of One Group in 2012, the purchase of Aria also reinforces our claims operations, creating a valuable end-to-end business.

The breadth of services has been enhanced through a rebranding programme, introducing Intana to the assistance market, re-launching Astrenska and CIB, and incorporating Columbus Direct under the umbrella retail business, Columbus Insurance Services. Astrenska is a leader within its sector which together with Intana's claims and assistance services, provides clients with tailored solutions across personal lines. CIB continues to provide access to the Lloyds market for bespoke solutions, whilst also providing the business with an incubation unit for innovation and the development of new business models.

Columbus Direct has seen record growth outside the UK, and the higher margin international portfolio is now larger than the UK in travel insurance, with further international expansion a key component of future development. Investment in technology and business processes has created solid foundations for future growth, within and beyond travel insurance.

Assistance

Following the acquisition of Aria and One Group in 2012, the newly launched Intana business draws together our combined claims and assistance capacity comprising five customer contact centres providing round the clock service in 18 languages. The business now includes motor assistance, home emergency cover, the UK's first domiciliary care network, and a network of over 25 thousand medical practitioners worldwide.

The complete integration of these business units is continuing into financial year 2014/15, including significant investment in Collinson Group's customer services functions. This investment in technology and processes, together with effective resource planning, manages the risk of unforeseen levels impairing our performance. Sales have improved immediately, including the winning of a three year contract with KwikFit roadside assistance, reinforcing a long standing relationship with Ageas, followed by the winning of Aviva's own travel claims and assistance business.

The Board

Colin Evans, Chairman

Colin is the founder of Collinson Group. In a career that spans over 35 years he has launched a number of successful start-ups, overseen strategic acquisitions and advised some of the world's leading brands. In 2011 he was singled out for an industry Lifetime Achievement Award in recognition as an innovative leader in the loyalty business.

Mark Hampton, CFO

Mark is responsible for the financial management of our operations supporting all areas of the business, providing the governance and acumen necessary to deliver our strategic goals.

Mignon Buckingham, Managing Director ICLP.

Mignon is responsible for 600 talented individuals in 16 offices. Under her leadership, the Group maintains an unrivalled breadth and depth of loyalty expertise at a global, regional and local level.

Steve Pinches, Managing Director, Lifestyle Benefits

Steve holds responsibility for our international lounge partner network and our own airport infrastructure business, Airport Lounge Development delivering world leading membership travel enhancement products and services.

David Evans, Managing Director, Insurance & Assistance

David has responsibility for our insurance and assistance capabilities. This includes our retail, partnership and underwriting insurance businesses and leads the provision of global assistance and claims servicing to clients across multiple segments

Christopher Evans, Director

Christopher is responsible for Collinson Latitude, which combines advanced earning, redemption and ancillary revenue platforms with global content and e-commerce expertise to drive engagement and revenue for our clients.

Non-executive directors
David Ross
Denise Evans

Directors' report

The directors present their Directors' report and financial statements for the year ended 30 April 2014.

The Strategic Report on pages 1 to 9 forms part of this report. The Financial Statements are presented from page 14.

Financial instruments

The Group's principal financial instruments comprise bank balances, trade debtors and creditors and loans. The main purpose of these instruments is to raise funds to finance the Group's operations. In respect of bank balances, liquidity risk is managed by actively monitoring balances and ensuring that funds are in place to meet liabilities as and when they fall due.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Principal risks and uncertainties

The Group's principal risks and uncertainties are set out within the Strategic Report pages 1 to 9, together with a description of how the Group manages these.

Directors

The directors are responsible for the good standing of the Company, the management of its assets, including the management of risk, and the strategy for its future development. There are 11 board meetings each year and other meetings convened as needed. Biographical details of the directors who currently hold office are set out on pages 8 to 9.

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

C R Evans (Chairman)

M L Buckingham
C J Evans
D Evans
D M Evans
D R Gooderson (resigned 30 September 2013)
M R Hampton (appointed 18 December 2013)
S J Pinches
D A Ross

Employees

Employee participation is encouraged at all levels within the Group. The directors appreciate the work of all our employees around the world and acknowledge their huge contribution to the success of the Group. The Group retained all senior management globally, which has been key especially under challenging trading conditions.

Applications for employment by disabled persons are fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, so far as possible, be identical to that of a person who does not have a disability.

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.

Directors' report *(continued)*

Research and development

The group is engaged in a programme of research and development in support of the products and services that it provides to its customers. Note 3 to the financial statements details the amount spent on research and development

Post Balance Sheet events

On 16 September 2014 the Group acquired 100% of the share capital and voting rights of Bienvenue Financière ("BF") for approximately €3.4m, comprised of a combination of fixed and contingent cash consideration. The principal operating entity owned by BF is Welcome Real-Time, a global leader in innovative loyalty solutions to Fortune 500 banks, retailers and other organizations worldwide

Auditor

Grant Thornton UK LLP are deemed reappointed under section 487(2) of the Companies Act 2006.

On behalf of the board

C R Evans
Director

Cutlers Exchange
123 Houndsditch
London
EC3A 7BU
26 January 2015

Statement of directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor's report to the members of The Collinson Group Limited

We have audited the financial statements of The Collinson Group Limited for the year ended 30 April 2014, which comprise the group Profit and loss account, group and company Balance sheets, the group Cash flow statement, Statement of total recognised gains and losses, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 (APB'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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

Nicholas Page (Senior Statutory Auditor) 26 January 2015

for and on behalf of
Grant Thornton UK LLP
Statutory Auditor & Chartered Accountants
London

Consolidated Profit and Loss Account

for the year ended 30th April 2014

	Note	2014 £000	2013 £000
Turnover			
Continuing operations		**258,509**	229,378
Acquired operations	*18*	**21,121**	-
	2	**279,630**	229,378
Cost of Sales		**(209,936)**	(177,068)
Gross Profit		**69,694**	52,310
Administrative expenses		**(66,797)**	(47,382)
Operating profit			
Continuing operations		**10,300**	4,928
Acquired operations	*18*	**(4,867)**	-
Exceptional items	*3*	**(2,536)**	-
Operating Profit	*3*	**2,897**	4,928
Interest receivable and similar income	*7*	**204**	239
Interest payable and similar charges	*8*	**(131)**	(153)
Profit on ordinary activities before taxation	*3*	**2,970**	5,014
Tax on profit on ordinary activities	*9*	**(1,922)**	(1,267)
Profit on ordinary activities after taxation		**1,048**	3,747
Minority interests		**(92)**	46
Profit for the financial year		**956**	3,793

All amounts relate to continuing operations.

The notes on pages 19 to 34 form part of these financial statements.

Consolidated Balance Sheet
As at 30th April 2014

	Note	2014 £000	2013 £000
Fixed assets			
Intangible assets	*10*	**29**	6,016
Tangible assets	*11*	**5,204**	3,273
		5,233	9,289
Current assets			
Debtors	*13*	**106,355**	47,622
Cash	*14*	**66,914**	49,368
		173,269	96,990
Creditors: amounts falling due within one year	*15*	**(153,226)**	(82,182)
Net current assets		**20,043**	14,808
Total assets less current liabilities		**25,276**	24,097
Creditors: amounts falling due after more than one year	*16*	**(1,450)**	(85)
Provisions for liabilities	*17*	**(124)**	(170)
Net assets		**23,702**	23,842
Capital and reserves			
Called up share capital	*19*	**100**	100
Profit and loss account	*20*	**23,608**	23,848
Total Shareholders' funds		**23,708**	23,948
Minority interests	*21*	**(6)**	(106)
		23,702	23,842

These financial statements were approved by the board of directors on 26 January 2015 and were signed on its behalf by:

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C R Evans
Director

Company registered number: 02577557

The notes on pages 19 to 34 form part of these financial statements.

Company Balance Sheet
As at 30th April 2014

	Note	2014 £000	2013 £000
Fixed assets			
Intangible assets	*10*	**-**	-
Tangible assets	*11*	**126**	183
Investments	*12*	**1,320**	1,320
		1,446	1,503
Current assets			
Debtors	*13*	**139,336**	96,445
Cash		**1,074**	1,635
		140,410	98,080
Creditors: amounts falling due within one year	*15*	**(113,757)**	(77,940)
Net current assets		**26,653**	20,140
Total assets less current liabilities		**28,099**	21,643
Creditors: amounts falling due after more than one year	*16*	**(1,450)**	-
Net assets		**26,649**	21,643
Capital and reserves			
Called up share capital	*19*	**100**	100
Profit and loss account	*20*	**26,549**	21,543
Total Shareholders' funds		**26,649**	21,643

These financial statements were approved by the board of directors on 26 January 2015 and were signed on its behalf by:

....

C R Evans
Director

Company registered number: 02577557

The notes on pages 19 to 34 form part of these financial statements.

Consolidated cash flow statement

for the year ended 30th April 2014

Cash flow statement	*Note*	**2014** **£000**	2013 £000
Cash flow from operating activities	*22*	**15,624**	15,021
Returns on investments and servicing of financing	*23*	**73**	86
Taxation		**(809)**	(2,168)
Capital expenditure and financial investment	*23*	**(4,102)**	(1,769)
Acquisitions and disposals	*23*	**1,481**	(793)
Equity dividends paid		**(265)**	(320)
Cash inflow before management of liquid resources and financing		**12,002**	10,057
Financing	*23*	**(450)**	(275)
Increase in cash in the period		**11,552**	9,782

Reconciliation of net cash flow to movement in net funds

Increase in cash in the period		**11,552**	9,782
Cash outflow from decrease in financing		**450**	275
Change in net funds resulting from cash flows		**12,002**	10,057
Cash acquired with subsidiary	*18*	**6,183**	16
Translation differences		**(189)**	221
Movement in net funds in the period		**17,996**	10,294
Net funds at the start of the period		46,868	36,574
Net funds at the end of the period		**64,864**	46,868

The notes on pages 19 to 34 form part of these financial statements.

Consolidated statement of total recognised gains and losses

for the year ended 30th April 2014

	2014	2013
	£000	£000
Profit attributable to shareholders	**956**	3,793
Net exchange difference on translation of net investments	**(931)**	320
Total recognised gains relating to the year	**25**	4,113

The notes on pages 19 to 34 form part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

Going concern

The directors have assessed that the group has adequate resources to continue in operational existence for a minimum of 12 months from the date of signing the financial statements. For this reason the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

Basis of consolidation

The group financial statements consolidate the financial statements of The Collinson Group Limited and its subsidiary undertakings drawn up to 30 April each year, using the acquisition method of accounting. Under the acquisition method, the results of subsidiary undertakings are included from the date that control passes to the Group.

Intangible Fixed Assets

Goodwill

Positive purchased goodwill arising on acquisition is capitalised, classified as an asset on the balance sheet and amortised over its expected useful life of up to twenty years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this point. Goodwill is reviewed for impairment at the end of the first full financial year following acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Where the fair value of the separable net assets exceeds the fair value of the consideration for an acquired undertaking the difference is treated as negative goodwill and is capitalised and amortised through the profit and loss account in the period in which the non-monetary assets acquired are recovered. In the case of fixed assets this is the period over which they are depreciated and in the case of current assets, the period over which they are sold or otherwise realised.

Membership lists and amortisation

Membership lists are stated at cost less amortisation. Provision is made for any impairment in value. The costs of maintaining and expanding the membership lists are written off as incurred. The membership lists are amortised on a straight line basis over ten years, which is estimated to be the minimum useful life of the membership lists.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and sales related taxes. Turnover also includes insurance premiums received.

Services business

Generally, turnover is recognised over the period in which the services are rendered. Lounge Membership income is recognised on a straight-lined basis over the term of the membership. Lounge usage income is recognised at the point in which the visit occurs. IT and Agency services income is recognised in the period to which it relates. Project income is recognised in the period in which the project is worked upon. For projects which span the financial year income is recognised to reflect partial completion of the contractual obligations.

Insurance business

Earned premiums receivable are included on an accruals basis. Provisions for unearned premiums are calculated on a time basis. For the sake of prudence no deduction is made for reinsured unearned premiums which are charged to the profit and loss account based on premiums written.

Reinsurance recoveries are credited to match relevant gross amounts. Provision is made for claims incurred but not reported based on experience of time taken to report claims after occurrence.

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short leasehold property and improvements	-	over remaining term of the lease
Motor vehicles	-	4 years
Fixtures, fittings & equipment	-	5 years
Computer equipment	-	2-3 years

Residual value is calculated on prices prevailing at the date of acquisition.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Pensions

The group makes contributions to certain directors' and employees' personal pension schemes. Contributions to such schemes are charged to the profit and loss account in the year in which they become payable.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Foreign currencies

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

The results and balance sheets of overseas operations are translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings and from translating the non-monetary assets at the closing rate are taken to reserves.

All other differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, which, to the extent that they are used to finance or provide a hedge against foreign equity investments, are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Notes *(continued)*

2 Turnover

An analysis of turnover by geographical area is as follows:

	2014 £000	2013 £000
United Kingdom	**59,139**	55,985
Rest of European Union	**42,982**	31,901
North and South America	**109,470**	83,872
Asia including Middle East	**62,414**	53,676
Africa	**2,182**	1,430
Australia	**3,443**	2,514
	279,630	229,378

Further segmental analysis is not given, as in the opinion of the directors such disclosure of information would be prejudicial to the interests of the group.

3 Notes to the profit and loss account

	2014 £000	2013 £000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation	**2,174**	1,746
Loss on disposal of fixed assets	**114**	4
Amortisation	**533**	739
Research and Development	**4,446**	4,667
Operating lease rentals:		
Other operating leases	**4,792**	2,550
Difference on foreign exchange	**1,475**	978
Auditors' remuneration:		
Audit of these financial statements	**70**	70
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries	**476**	427
Other services	**350**	416
Exceptional items:		
Goodwill impairment (see Note 10)	**4,444**	-
Acquisition related (see Note 18):		
Impairment of acquired fixed assets (see Note 11)	**3,139**	-
Negative goodwill amortisation (see Note 10)	**(5,871)**	-
Acquisition integration and restructuring	**824**	-
	2,536	-

Notes *(continued)*

4 Dividends

The aggregate amount of dividends comprises:

	2014	2013
	£000	£000
Interim dividends paid in respect of the current year	265	320

5 Remuneration of directors

	2014	2013
	£000	£000
Directors' emoluments	2,079	1,940
Company contributions to money purchase pension schemes	80	167
	2,159	2,107

During the year retirement benefits were accruing to 5 directors *(2013: 6)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £458,000 *(2013: £613,000)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil *(2013: £nil)*.

6 Staff numbers and costs

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

	2014	2013
	person	person
Production	899	536
Sales and Marketing	191	305
Administration	505	352
	1,595	1,193

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	42,696	40,812
Social security costs	2,784	3,275
Other pension costs	1,516	1,655
	46,996	45,742

Notes *(continued)*

7 Interest receivable and similar income

	2014	2013
	£000	£000
Other interest receivable	**204**	239
	204	239

8 Interest payable and similar charges

	2014	2013
	£000	£000
On bank loans and overdrafts	**-**	1
On other loans (note 28)	**131**	152
	131	153

9 Taxation

Analysis of charge in period

	2014	2013
	£000	£000
UK Corporation tax		
Current tax on income for the period	**229**	291
Adjustments in respect of prior periods	**330**	(3)
	559	288
Foreign tax		
Current tax on income for the period	**1,468**	1,075
Adjustments in respect of prior periods	**4**	(16)
	1,472	1,059
Total current tax charge	**2,032**	1,347
Deferred tax (see note 17)		
Origination/reversal of timing differences	**(110)**	(80)
Tax on profit on ordinary activities	**1,922**	1,267

Notes *(continued)*

9 Taxation (continued)

Factors affecting the tax charge for the current period

The current tax charge for the period is higher *(2013 : higher)* than the standard rate of corporation tax in the UK of 23.92%, *(2013 : 25.84 %)*. The differences are explained below.

	2014	2013
	£000	£000
Profit on ordinary activities before tax	**2,970**	5,014
Current tax at 22.83% *(2013: 23.92%)*	**678**	1,199
Effects of:		
Non-deductible expenses (including goodwill amortisation)	**697**	75
Capital allowances for period in excess of depreciation	**459**	(117)
Utilisation of tax losses	**2**	(19)
Excess of overseas tax over UK corporation tax	**(305)**	226
Adjustments to previous periods	**349**	(17)
Other timing differences	**100**	-
Local taxes	**52**	-
Total current tax charge (see above)	**2,032**	1,347

10 Intangible fixed assets

Group	**Membership lists**	**Goodwill**	**Negative Goodwill**	**Total**
	£000	**£000**	**£000**	**£000**
Cost:				
At beginning of year	3,269	8,523	-	11,792
Additions - negative goodwill (note 18)	-	-	(6,881)	(6,881)
At end of year	3,269	8,523	(6,881)	4,911
Amortisation				
At beginning of year	2,267	3,509	-	5,776
Charge for the year	326	207	-	533
Impairment (see below)	-	4,444	-	4,444
Negative goodwill amortisation (note 18)	-	-	(5,871)	(5,871)
At end of year	2,593	8,160	(5,871)	4,882
Net book value				
At 30 April 2014	**676**	**363**	**(1,010)**	**29**
At 30 April 2013	1,002	5,014	-	6,016

Notes *(continued)*

10 Intangible fixed assets (continued)

Group Goodwill impairment

In accordance with the Group's policy, where circumstances emerge that indicate that the carrying value of goodwill may not be recoverable a detailed impairment review is conducted. During the year, a detailed impairment review was conducted in respect of the goodwill associated with the Preferential Direct Limited (PDL) and Aero 24 Limited ("Aero 24") businesses. In addition, following the first full financial year subsequent to the acquisitions of Consumer & Communication Services GmbH ("CCS Germany"), One Assist and One Claims businesses (together the "One Group") the Group conducted a detailed review of the related goodwill. The impairment review considered a number of factors including the past financial performance and future outlook for these products and businesses as well as consideration of the wider industry outlook. As a result of these reviews it was determined that the goodwill associated with PDL, Aero 24, One Group and CCS Germany were impaired. Accordingly, an impairment charge of £4,440,000 was recorded in the year.

Company	**Goodwill**	**Total**
	£000	**£000**
Cost:		
At beginning of year	122	122
At end of year	122	122
Amortisation		
At beginning of year	122	122
Charge for the year	-	-
At end of year	122	122
Net book value		
At 30 April 2014	-	-
At 30 April 2013	-	-

Notes *(continued)*

11 Tangible fixed assets

Group	**Leasehold improvement**	**Computer equipment**	**Furniture, fittings & equipment**	**Motor Vehicles**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Cost:					
At beginning of year	1,914	5,078	1,473	202	8,667
Acquisitions (note 18)	4	3,363	30	-	3,397
Additions	1,212	2,216	675	-	4,103
Disposals	(15)	(225)	(33)	-	(273)
Foreign exchange movement	(167)	(182)	(108)	(3)	(460)
At end of year	2,948	10,250	2,037	199	15,434
Depreciation:					
At beginning of year	858	3,549	879	108	5,394
Charge for the year	330	1,491	316	37	2,174
Impairment - acquired assets (note 18)	4	3,105	30	-	3,139
Assets disposed in year	(3)	(150)	(6)	-	(159)
Foreign exchange movement	(92)	(149)	(74)	(3)	(318)
At end of year	1,097	7,846	1,145	142	10,230
Net book value:					
At end of year	**1,851**	**2,404**	**892**	**57**	**5,204**
At beginning of year	1,056	1,529	594	94	3,273

Company	**Computer equipment**	**Furniture, fittings & equipment**	**Motor Vehicles**	**Total**
	£000	**£000**	**£000**	**£000**
Cost:				
At beginning of year	248	2	162	412
Additions	61	-	-	61
At end of year	309	2	162	473
Depreciation:				
At beginning of year	151	-	78	229
Charge for the year	85	1	32	118
At end of year	236	1	110	347
Net book value:				
At end of year	**73**	**1**	**52**	**126**
At beginning of year	97	2	84	183

Notes *(continued)*

12 Fixed asset investments

Company	Subsidiary undertakings	Loans to group undertakings	Total
	£000	£000	£000
Cost			
At beginning of year	239	1,081	1,320
At end of year	239	1,081	1,320

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

A list of significant investments in group undertakings is given in note 30 to these accounts.

13 Debtors

	Group		Company	
	2014	2013	**2014**	2013
	£000	£000	**£000**	£000
Trade debtors	**69,249**	36,349	**-**	4
Amounts owed by group undertakings	**-**	-	**139,162**	96,352
Corporation tax	**348**	677	**-**	-
Other debtors	**4,705**	4,014	**49**	3
Short term deposits	**5,000**	-	**-**	-
Prepayments and accrued income	**26,389**	5,971	**97**	50
Deferred tax	**664**	611	**28**	36
	106,355	47,622	**139,336**	96,445

Short term deposits represent funds held in various financial institutions with maturities between six months and one year. These deposits earn interest at rates ranging from 0.65% to 0.8% per year.

14 Cash at bank

Group cash at bank includes balances of £10,064,000 (*2013: £5,783,000*) held in designated accounts on behalf of insurance companies and clients.

Notes *(continued)*

15 Creditors: amounts falling due within one year

	Group **2014** **£000**	2013 £000	Company **2014** **£000**	2013 £000
Trade creditors	**44,841**	20,042	**140**	175
Other loans (note 28)	**600**	2,500	**600**	2,500
Amounts owed to group undertakings	**-**	-	**112,071**	74,385
Other creditors	**31,248**	19,142	**16**	44
Social security and other taxes	**3,998**	2,202	**82**	253
Accruals and deferred income	**70,963**	37,466	**613**	573
Corporation tax	**1,491**	785	**235**	10
Contingent consideration	**85**	45	**-**	-
	153,226	82,182	**113,757**	77,940

Contingent consideration of £85,000 (*2013: £85,000*) is associated with the acquisition of Consumer and Communications Services GmbH completed on 27 November 2012. The payment is contingent on the achievement of certain revenue and profit related targets which are deemed by the directors as probable and payable in the future.

16 Creditors: amounts falling due after more than one year

	Group **2014** **£000**	2013 £000	Company **2014** **£000**	2013 £000
Other loans (note 28)	**1,450**	-	**1,450**	-
Contingent consideration	**-**	85	**-**	-
	1,450	85	**1,450**	-

Notes *(continued)*

17 Provisions for liabilities

	Group 2014 £000	2013 £000	Company 2014 £000	2013 £000
Deferred tax:				
At beginning of the year	**441**	366	**36**	11
Profit and loss account	**110**	80	**(8)**	25
Exchange movement	**(11)**	(5)	**-**	-
At end of the year	**540**	441	**28**	36

The elements of deferred taxation are as follows:	2014 £000	2013 £000	2014 £000	2013 £000
Difference between accumulated depreciation and amortisation and capital allowances	**540**	441	**28**	36
Deferred tax asset	**664**	611	**28**	36
Deferred tax liability	**(124)**	(170)	**-**	-
	540	441	**28**	36

18 Acquisition

On the 2 October 2013 the group acquired 100% of the ordinary share capital of Aria Assistance Group Limited ("Aria"). Aria's principal business activity is the provision of travel, health and assistance insurance as an intermediary and underwriter. Activities also include making arrangements for the provision of emergency services on behalf of other companies in the United Kingdom and through a branch in the Republic of Ireland. The group incurred £824,000 in integrating Aria, including redundancy payments to previous owners and senior management.

The analysis of net assets acquired and the fair value to the Group is as follows:

	Book value £000	Fair value adjustment £000	Fair value £000
Fixed assets	3,397	-	3,397
Current assets and liabilities			
Debtors	35,004	-	35,004
Cash	6,183	-	6,183
Creditors	(35,222)	(600)	(35,822)
Net assets acquired	9,362	(600)	8,762
Negative goodwill			(6,881)
Purchase consideration and costs of acquisition			
Cash			-
Capitalised acquisition costs			381
Loan to previous owners forgiven			1,500
			1,881

Notes *(continued)*

18 Acquisition (continued)

Fair value of assets acquired & purchase consideration paid:

The fair value of net assets acquired amounted to £8.8 million. This is after an adjustment of £600,000 related to the alignment of accounting policies in respect of insurance claims provisioning. These fair values are provisional and will be reviewed in fiscal year 2015 and amended as necessary in light of subsequent knowledge or events.

The cash consideration paid was £1.00. Capitalised acquisition costs represent cash consideration paid and fees incurred directly associated with the acquisition. In addition, as a condition to the acquisition, a loan from the Group of £1.5 million (2013: £400,000) was capitalised subsequent to the acquisition. Accordingly, the £1.5 million has been included in the calculation of purchase consideration and excluded from the net assets acquired.

Negative Goodwill

As noted above, the acquisition of Aria resulted in negative goodwill of £6.9 million, £3.1 million of which was attributable to the tangible fixed assets acquired. In assessing the remaining assets acquired it was determined that the residual negative goodwill of £3.8 million was deemed attributable to current assets.

In the latter part of fiscal year 2014 a decision was made by the Group to abandon certain development projects and dispose of the assets acquired through the Aria acquisition. As a result the corresponding element of negative goodwill was also amortised. In accordance with Group policy the remaining negative goodwill attributable to current assets is being amortized over the period in which the current assets are sold or otherwise realised. Accordingly, £2.5m has been realised in the period to April 2014.

Profit and Loss information:

Aria's most recent financial statements prior to acquisition were for the 16 months ending 30 April 2013. The loss after tax and for the financial period was £2.7 million. The table below sets out the results of Aria from 1 May 2013 to the date of acquisition and from the date of acquisition to the end of the Group's financial year.

	From May 1 to October 1 2013	From October 2 to 30 April 2014
Profit and Loss account		
Turnover	11,879	21,121
Cost of sales	(5,326)	(10,177)
Gross profit	6,553	10,944
Administrative costs	(7,861)	(15,811)
Operating loss	(1,308)	(4,867)
Interest receivable	11	15
Loss before taxation	(1,297)	(4,852)
Taxation	(13)	899
Loss after tax	(1,310)	(3,953)
Minority interest	0	0
Loss for the financial year	(1,310)	(3,953)
Statement of Total recognized Gains and Losses:		
Loss for the financial year	(1,310)	(3,953)
Unrealised foreign exchange gains	14	59
Total recognized loss for the financial period	(1,296)	(3,894)

Notes *(continued)*

19 Called up share capital

	2014	2013
	£000	£000
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	**100**	100

20 Reserves

Group	Profit and loss account £000
At beginning of year	23,848
Profit for the year	956
Equity dividends paid	(265)
Foreign exchange translation differences	(931)
At end of year	**23,608**

Company	Profit and loss account £000
At beginning of year	21,543
Profit for the year	5,271
Equity dividends paid	(265)
At end of year	**26,549**

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account. The profit for the year of the company was £5,271,000 *(2013:£448,000)*.

21 Minority interests

	Group 2014 £000	2013 £000
At beginning of the year	**(106)**	(60)
Share of loss for the year	**(62)**	(46)
Provision for recovery of minority interest receivable	**162**	-
At end of the year	**(6)**	(106)

During the year the Group has provided for the minority interest receivable associated with Expat Network Limited, a subsidiary undertaking in which the Group owns 76% of the outstanding shares.

Notes *(continued)*

22 Reconciliation of operating profit to operating cash flows

	2014 £000	2013 £000
Operating profit	**2,897**	4,928
Depreciation	**2,174**	1,746
Amortisation	**533**	739
Impairment of goodwill	**4,444**	-
Negative goodwill write-back	**(5,871)**	-
Impairment of acquired fixed assets	**3,139**	
Loss on sale of fixed assets	**114**	4
Increase in debtors	**(30,226)**	(7,800)
Increase in creditors	**38,896**	15,757
Net effect of foreign exchange difference	**(476)**	(353)
Net cash inflow from operating activities	**15,624**	15,021

23 Analysis of cash flows

	Note	2014 £000	2013 £000
Returns on investment and servicing of finance			
Interest received	*7*	**204**	239
Interest paid	*8*	**(131)**	(153)
		73	86
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(4,102)**	(1,769)
		(4,102)	(1,769)
Acquisitions and disposals			
Purchase of subsidiary undertakings	*18*	**1,481**	(748)
Payments of deferred consideration		**-**	(45)
		1,481	(793)
Financing			
Repayment of other loans		**(450)**	(275)
		(450)	(275)

24 Analysis of net funds

	At beginning of year £000	Cash flow £000	Cash included on acquisitions £000	Transition differences £000	At end of year £000
Cash in hand, at bank	49,368	11,552	6,183	(189)	**66,914**
Debt due after one year	(2,500)	450	-	-	**(2,050)**
Total	46,868	12,002	6,183	(189)	**64,864**

Notes *(continued)*

25 Commitments

At 30 April 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	**2014**	2013
	£000	£000	**£000**	£000
Within one year	**1,114**	159	**97**	-
Between 2 - 5 years	**2,625**	2,176	**44**	-
After more than 5 years	**1,350**	-	-	-

26 Contingent Liabilities

There is a fixed and floating charge over all the assets of the company whereby the company guarantees all amounts due to Barclays Bank Plc by the group. As at the year end the amount due to Barclays Bank Plc by certain group companies was £nil *(2013: £nil)*. Under the group banking offset arrangement the company had no liability to Barclays Bank Plc at the balance sheet date.

27 Post Balance Sheet events

On 16 September 2014 the Group acquired 100% of the share capital and voting rights of Bienvenue Financière ("BF") for approximately €3.4m, comprised of a combination of fixed and contingent cash consideration. The principal operating entity owned by BF is Welcome Real-Time, a global leader in innovative loyalty solutions to Fortune 500 banks, retailers and other organizations worldwide

28 Related party disclosures

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with wholly owned subsidiary undertakings.

At the balance sheet date an amount was due to International Customer Loyalty Programmes Plc of £2,042,855. International Customer Loyalty Programmes Plc is a subsidiary undertaking that is not wholly owned by the group.

At the balance sheet date an amount was due to Expat Network Limited of £504,980. Expat Network Limited is a fellow subsidiary undertaking that is not wholly owned by the group.

During the 2013 financial year the Chairman, Mr C R Evans provided the company with an unsecured loan facility. The balance due to Mr C R Evans at the balance sheet date was £2,050,000 *(2013: £2,500,000)*. Interest is charged at 5% above Bank of England base rate and amounted to £131,000 *(2013: £152,000)* in the year.

29 Ultimate parent company and parent undertaking of larger group

The directors regard Parminder Limited, a company incorporated in the Isle of Man, as the company's ultimate parent undertaking. Parminder Limited does not prepare group financial statements. The ultimate controlling parties identified by the company are the Trustees of the Colin Evans 1987 Settlement, established under the laws of the Isle of Man, the beneficiary of which is Mr C R Evans.

Notes *(continued)*

30 List of fixed asset investments in subsidiaries

The parent company and the group have investments in the following subsidiary undertakings that principally affected the profits and net assets of the group. Their principal activities and the percentage holdings at the year-end are detailed below. To avoid a statement of excessive length, details of investments that are not significant have been omitted.

	Country of incorporation	Class and percentage of shares held Group	Company
Investment companies			
Priority Travel Group (Holdings) Limited	England	100% Ordinary	100% Ordinary
ICLP Worldwide Limited (formerly Origo Marketing Group Limited)	England	100% Ordinary	100% Ordinary
Collinson Insurance Group Limited	England	100% Ordinary	100% Ordinary
The Collinson Group (IT) Limited	England	100% Ordinary	100% Ordinary
The Collinson Group (Overseas Holdings) Limited	England	100% Ordinary	100% Ordinary
Travel and membership services			
International Airline Passengers Association (EAME) Limited	England	100% Ordinary	-
International Airline Passengers Association (Far East) Limited	Hong Kong	100% Ordinary	-
IAPA (Global) Limited	Gibraltar	100% Ordinary	-
IAPA Limited	Gibraltar	100% Ordinary	-
Priority Pass Limited	England	100% Ordinary	-
Priority Pass (AP) Limited	Hong Kong	100% Ordinary	-
Priority Pass Inc	USA	100% Ordinary	-
Priority Collection Limited	England	100% Ordinary	-
The Executive Club Limited	England	100% Ordinary	-
Expat Network Limited	England	100% Ordinary	-
Insurance and assistance services			
Columbus Travel Insurance Services Limited	England	100% Ordinary	-
Columbus Direct Limited	Hong Kong	100% Ordinary	-
Columbus Insurance Pte Limited	Singapore	100% Ordinary	-
Columbus Direct Travel Insurance Pty Limited	Australia	100% Ordinary	-
Trinity Insurance Services Limited	England	100% Ordinary	-
Club Direct (UK) Limited	England	100% Ordinary	-
Astrenska Limited	England	100% Ordinary	-
PTI Insurance Company Limited	Gibraltar	100% Ordinary	-
Collinson Insurance Brokers Limited	England	100% Ordinary	-
Global Claims Services Limited	England	100% Ordinary	-
One Claims Limited	England	100% Ordinary	-
One Claims & Assistance Limited	England	100% Ordinary	-
Preferential Direct Limited	England	100% Ordinary	-
Optimum Underwriting Limited	England	100% Ordinary	-
Preferential Insurance Services Limited	England	100% Ordinary	-
Astrenska Insurance Limited	England	100% Ordinary	-
Collinson Insurance Services Limited	England	100% Ordinary	-
Loyalty, marketing and related services			
International Customer Loyalty Programmes Plc	England	100% Ordinary	-
International Customer Loyalty Programmes (AP) Pte Limited	Singapore	100% Ordinary	-
International Customer Loyalty Programmes Limited	Hong Kong	100% Ordinary	-
International Customer Loyalty Programmes Pty Limited	Australia	100% Ordinary	-
International Customer Loyalty Programmes AG Limited	Switzerland	100% Ordinary	-
International Customer Loyalty Programmes Pvt Limited	India	100% Ordinary	-
International Customer Loyalty Programmes KK Limited	Japan	100% Ordinary	-
International Customer Loyalty Programmes Inc	USA	100% Ordinary	-
International Customer Loyalty Programmes (Shanghai) 6 Limited	China	100% Ordinary	-
International Customer Loyalty Programmes Brasil Ltda	Brazil	100% Ordinary	-
Chase Response Limited	England	100% Ordinary	-
Chase Response (Pty) Limited	South Africa	100% Ordinary	-
Aero24 Limited	England	100% Ordinary	-
Aero24 (Pty) Limited	South Africa	100% Ordinary	-
Aero24 Inc	USA	100% Ordinary	-
Collinson (Latitude) Limited	England	100% Ordinary	-
Collinson (Latitude) Pte Limited	Singapore	100% Ordinary	-
Collinson Latitude (AP) Limited	Hong Kong	100% Ordinary	-
Collinson (Product Innovation) Limited	England	100% Ordinary	-