

Air Travel Trust

Annual Report & Financial Statements

31 March 2026

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Contact Details

Principal Place of Business

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Trustees

Ms S K Chadha
Ms T K Martin
Ms P McAuley
Mr J A Spence

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Auditor

Deloitte LLP
1 New Street Square
London
EC4A 3HQ

Report of the Trustees

for the year ended 31 March 2026

Background

The Air Travel Organiser's Licence ('ATOL'), which is managed by the Civil Aviation Authority ('CAA'), is a UK statutory licensing scheme which also provides financial protection to consumers of licensable air travel. The licensing scheme ensures that only businesses regarded as financially robust and fit can sell licensable travel, and the wider financial protection scheme fulfils the state's obligations under the Package Travel Regulations in respect of flight-inclusive packages, by ensuring that if an ATOL holder fails, affected consumers are either able to return home or receive a replacement holiday or a refund.

Constitution and terms of reference

The Air Travel Trust ('ATT' or 'the Trust') is a discretionary trust created by the UK Secretary of State for Transport; its full purpose and the Trustees' powers are contained in the Trust Deed, which is at [Appendix 1](#). The overarching purpose of the ATT is to provide compensation to consumers who have suffered a loss as a result of the failure of their ATOL holder, and the Trustees publish their Payment Policy outlining how they exercise their discretion in providing compensation to affected consumers.

Throughout the reporting period, the Trustees were all Board Members or officials of the CAA, appointed in accordance with the Trust Deed. The Trustees met nine times during the year.

The CAA performs the administrative functions of the ATT and there is an agreement in place between the two parties which governs that relationship. The CAA acts as the ATT's agent in the exercise of its powers, and in administering the ATT's funds, the CAA applies the ATT's Payment Policy which sets out how the Trustees may exercise their discretion to make payments for the benefit of consumers.

Trustee changes

One Trustee was appointed during the year, P McAuley on 29 July 2025.

The UK travel market

The growth seen across the travel industry in the calendar year 2024 continued throughout 2025. ATOL-protected passenger numbers and revenue both saw notable increases, with the proportion of outbound travellers covered by ATOL rising to approximately 52% (2024: 48%), as reported by the ONS – a clear sign that consumer confidence and appetite for protected travel remains strong.

So far in 2026, the Middle East conflict and its impact on fuel costs and inflation, alongside persistent concerns around broader geopolitical and economic uncertainties, appear to be driving consumers to become more cautious and price sensitive, often booking later and seeking out promotions. Against this backdrop, the first quarter of 2026 saw the number of ATOL passenger bookings decline by 2.4% year on year, with average prices increasing by only 1.4%.

Merger and acquisition activities involving ATOL holders in 2025, saw several companies adding to their existing portfolios. However, the outlook for further deal-making has more recently been tempered by concerns over the current geopolitical and economic situation.

Report of the Trustees (*continued*)

Strategic capability building

During the year the ATT continued to develop its capability to mount a successful repatriation exercise. The work included continuing discussions with various airlines that could be used as a source of replacement flying, building relationships with additional airlines around the globe, and maintaining our arrangements with various suppliers of ground handling and support services. The ATT funded this work, which was carried out on its behalf by the CAA. See [note 6](#) to the Financial Statements.

As reported last year, the ATT invested in a new online claims portal to manage consumer claims following the failure of their ATOL protected holiday provider. The system went live in 2024 and Trustees have continued to enhance the system through a programme of continuous improvement and ongoing investment. See [note 6](#) to the Financial Statements.

Pack Peace of Mind

The Trust continues to provide funding to support the CAA's "Pack Peace of Mind" campaign. This multi-channel campaign has been running for several years now and is aimed at improving consumer awareness of the protection provided by the ATOL scheme. It encourages consumers to check that their flight-inclusive package holidays are covered by ATOL.

Incoming resources

ATOL Protection Contributions ('APC') are collected under the powers set out in The Civil Aviation (Contributions to the Air Travel Trust) Regulations 2007, as amended ('ATT Regulations'). The current rate of APC is £2.50 per passenger booked (2025: £2.50). Total contributions received during the year amounted to £79,494,712, relating to 31.8 million passengers booked (2025: £79,079,990, relating to 31.6 million passengers).

The Trustees take all reasonable steps to ensure that companies or individuals are held to account for any losses that they cause the ATT to incur. They take appropriate steps to recover amounts from the liquidation of failed companies or through His Majesty's Court Service. During the year the Trust received £93,589 (2025: £558,354) from liquidation dividends and £nil (2025: £nil) from Court orders.

The Trustees employ an investment strategy and policy, designed to ensure that there is limited risk to liquidity, and to ensure timely access to funds in the event of an ATOL holder failure. This also adds value to the fund by way of interest receipts which in turn adds value to the financial protection for the consumer. Income during the year from a mixture of cash deposits and money market funds amounted to £11,707,421 (2025: £10,990,352).

Resources expended

Like-for-like administrative costs, expenditure on professional services and costs related to the new consumer claims system have decreased from last year to £3,982,093 (2025: £5,256,761). Expenses charged by the CAA under its agreement with the ATT increased slightly to £2,051,247 (2025: £2,028,230), in respect of the operational management of the Trust's affairs in collecting APC,

Report of the Trustees (*continued*)

Resources Expended (*continued*)

arranging banking and investment facilities, claims handling and day-to-day financial and secretariat services (see [note 6](#) to the Financial Statements).

The Trust Fund remained in surplus throughout the year and did not call on the borrowing facilities available to it. Bank fees and charges for the year were £252,291 (2025: £562,000).

Details of failures during the year

Following the significant increase in failures throughout the pandemic, the number and expected cost of ATOL holder failures has again remained low. The number of ATOL holder failures during the year was 9 (2025: 7), and at the balance sheet date the total cost to the Trust from these failures is expected to be £1,046,963 (2025: £1,693,339) (see [note 7](#) and [note 15](#) to the Financial Statements).

A small number of passengers of failed ATOL holders required support whilst overseas and just over 1,500 customers with bookings to travel at a later date were due refunds for amounts paid in respect of their bookings. Full details are provided in [Appendix 2](#) of the Annual Report & Financial Statements.

Failure amounts provided for and released

The overall impact on the Trust of both current and prior year failures, taking into account reductions in provisions for prior year failures, was a net cost of £470,130 (2025: £1,555,971) (see [note 7](#) and [note 15](#) to the Financial Statements).

For prior year failures where further information has since become available, the Trust recorded additional calls on its funds of £19,798 (2025: £2,711). These amounts represent both amounts paid in the year and estimated balances payable and provided for at the year end. For prior year failures where all expenditure has been concluded, where forecast expenditure has been revised due to the availability of more accurate information, or where claims received has been lower than anticipated, the Trust has been able to release £596,631 (2025: £140,079) back to the fund.

The Trust's policy in relation to providing for the costs of ATOL holder failures is detailed in [note 2.1](#) to the Financial Statements.

Climate Change

The Trustees recognise that climate change will lead to more frequent and more extreme weather events which will undoubtedly impact the travel industry and consumers alike. Businesses will have to make adjustments to prepare for the future and consumer demand may be impacted, especially if prices are materially affected. This could give rise to a potential risk that the Trust may see an impact on APC revenues and the number of ATOL holder insolvencies.

The Trustees do not currently consider climate change as a significant threat to the viability of the Trust but continue to actively monitor this risk.

Report of the Trustees (*continued*)

Going concern

The ATT is the primary means by which the UK Government delivers its policy of consumer protection and fulfils its obligations under the Package Travel Regulations, such that consumers who purchase flight-inclusive package holidays are financially protected should the tour operator with which they have booked cease trading or otherwise fail to provide the services purchased. When reviewing the Annual Report & Financial Statements, the Trustees explicitly consider whether the Trust has sufficient assets and resources available to meet its actual and anticipated obligations on a going concern basis. As part of this consideration the Trustees take account of the overall performance of the package travel sector, the CAA's assessment of the actual and forecast performance of certain ATOL holders, and of any strategic policy direction provided by the Secretary of State for Transport and HM Government ('HMG') more broadly.

The Trust's assets are primarily cash and cash equivalents; since the end of the reporting period the commercial borrowing facilities have lapsed and have not been renewed by the Trustees. To the extent that those assets may be insufficient to meet the demands on the ATT should a large ATOL holder fail, or multiple smaller ATOL holders, the Trustees' expectation is that HMG will provide additional financial support to the ATT and thus to consumers. That expectation is based on the support provided by HMG to the ATT over many years and assurances previously provided by the Secretary of State for Transport. In addition, the Trustees have considered the criteria set out in the ATT Payment Policy, the Trustees' views as to their obligations under the Trust Deed and the Trustees' views as to how the UK Government is expected to fulfil its obligations in relation to package travel.

The Trustees have concluded that the ATT has adequate resources available to continue in operational existence for the foreseeable future, being not less than twelve months, and that it is appropriate to adopt the going concern basis for this Annual Report & Financial Statements. Further details are outlined in [note 1.3](#) to the Financial Statements.

Acknowledgements

The Trustees are grateful to the CAA for the continued administrative support and secretariat services provided during the year. The Trustees would also like to thank the CAA for the work of its staff relating to the administration of the APC and management of the Trust's activities.

Report of the Trustees *(continued)*

Principal Risks and Uncertainties

The Trustees continually review and monitor material risks and uncertainties which could affect the Trust's ability to fulfil its role in supporting the ATOL scheme. The following list highlights what the Trustees consider to be the principal risks and uncertainties together with actions taken or considered to mitigate any adverse consequences on the Trust.

Area	Description of Risk	Mitigating Actions
Economic and geopolitical factors	<ul style="list-style-type: none"> • Reduced passenger numbers and hence lower APC income • Greater number of failed ATOL holders and calls on Trust • Failure of major ATOL holder • Unfavourable market conditions such as inflation and interest rate pressures, economic and geopolitical factors 	<ul style="list-style-type: none"> • Seeking commercial borrowing facilities • Cash and liquid resources held • Financial support from HM Government
APC reporting	<ul style="list-style-type: none"> • ATOL holders incorrectly report passenger numbers and reduce payments of APC 	<ul style="list-style-type: none"> • Regular CAA monitoring of returns and submissions • CAA compliance unit monitors ATOL holders' compliance with ATOL Standard Terms • ATOL Reporting Accountants scheme, in conjunction with the major UK accountancy bodies, provides independent assurance on ATOL holder returns
Claims provisions	<ul style="list-style-type: none"> • Higher numbers or value of claims than originally estimated on an individual failure 	<ul style="list-style-type: none"> • CAA monitoring of returns • Regular review of claims progress and provision levels • CAA engagement with systems providers to obtain high quality information at failure

Patricia McAuley, Chair of the Trustees

18 June 2026

Independent Auditor's Report

Independent auditor's report to the Trustees of the Air Travel Trust (the 'Trustees')

Report on the audit of the non-statutory financial statements.

Opinion

In our opinion the non-statutory financial statements of the Air Travel Trust (the 'Trust'):

- give a true and fair view of the state of the Trust's affairs as at 31 March 2026 and of its incoming resources and application of resources and the cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the provisions of the Trust Deed including the directions made thereunder by the Secretary of State for Transport.

We have audited the non-statutory financial statements of the Trust which comprise of:

- the Statement of Financial Activities;
- the Statement of Financial Position;
- the Statement of Cash Flows; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards, IFRSs as issued by IASB and Clause 17 of the Trust Deed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the non-statutory financial statements section of our report.

We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the non-statutory financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the non-statutory financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the non-statutory financial statements is appropriate.

Independent Auditor's Report *(continued)*

Conclusions relating to going concern *(continued)*

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the non-statutory financial statements are authorised for issue. Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-statutory financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the non-statutory financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustees

As required by Clause 17 of the Trust Deed, the Trustees are responsible for the preparation of the non-statutory financial statements and for being satisfied that they give a true and fair view and that they comply with the Trust Deed and the directions made thereunder by the Secretary of State for Transport. They are also responsible for such internal control as the Trustees determine are necessary to enable the preparation of non-statutory financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the non-statutory financial statements

Our objectives are to obtain reasonable assurance about whether the non-statutory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

Independent Auditor's Report *(continued)*

Auditor's responsibilities for the audit of the financial statements *(continued)*

but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-statutory financial statements.

A further description of our responsibilities for the audit of the non-statutory financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Trust's industry and its control environment, and reviewed the Trust's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the Trustees about their own identification and assessment of the risks of irregularities, including those that are specific to the Trust's business sector.

We obtained an understanding of the legal and regulatory framework that the Trust operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the non-statutory financial statements. These included The Civil Aviation (Air Travel Organisers' Licensing) Regulations 2012 and The Civil Aviation (Contributions to the Air Travel Trust) Regulations 2007; and
- do not have a direct effect on the non-statutory financial statements but compliance with which may be fundamental to the Trust's ability to operate or to avoid a material penalty. This included the Package Travel Regulations, in respect of flight-inclusive packages.

We discussed among the audit engagement team, including an IT Specialist, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the non-statutory financial statements.

As a result of performing the above, we identified the greatest potential for fraud lay with the valuation and allocation of provisions. This is due to a potential management bias in estimating the provision.

Independent Auditor's Report *(continued)*

Extent to which the audit was considered capable of detecting irregularities, including fraud *(continued)*

Our procedures performed to address it are described below:

- We obtained third party reports and assessed the assumptions used to estimate the provisions for compensation claims valuation and the provision methodology used by the Trustees.
- We traced the failure payments made during the year to proof of payments made and tested the remaining provisions until the date of signing to assess reliability in the estimates of the provisions.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing non-statutory financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the non-statutory financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with the licensing authority Civil Aviation Authority.

Matters on which we are required to report by exception

Under Clause 17 of the Trust Deed we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept; or
- the non-statutory financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Independent Auditor's Report *(continued)*

Use of our report

This report is made solely to the Trustees, as a body, in accordance with Clause 17 of the Trust Deed dated 5 January 2004, as amended by Deeds of Variation dated 4 January 2005, 18 March 2008, 27 April 2012, 18 May 2016, 29 April 2019, 17 July 2020 and 11 January 2024 (the 'Trust Deed'). Our audit work has been undertaken so that we might state to the Trustees those matters we are required, by our engagement letter, 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 Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP

London

Dated: 18 June 2026

Note: The Trust's Annual Report is published on the website of the Civil Aviation Authority ('CAA'). The maintenance and integrity of the CAA's website is the responsibility of the Board members of the CAA. The work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ in other jurisdictions.

Statement of Financial Activities

for the year ended 31 March 2026

	Notes	Year to 31.03.26 £	Year to 31.03.25 £
Incoming Resources			
ATOL Protection Contributions	3	79,494,712	79,079,990
Liquidation dividends	4	93,589	558,354
Total Incoming Resources		79,588,301	79,638,344
Resources Expended			
Audit and legal expenses	5	(358,172)	(352,762)
Other administrative expenses	6	(5,675,168)	(6,932,229)
Provisions for compensation claims charged in the year	7, 15	(1,046,963)	(1,693,339)
Less release of provisions for compensation claims relating to prior periods	7, 15	576,833	137,368
Total Resources Expended		(6,503,470)	(8,840,962)
Finance income	9	11,707,421	10,990,352
Finance costs	9	(252,561)	(564,825)
Income tax	8	(5,268,340)	(4,945,658)
Net Increase in Fund		79,271,351	76,277,251
Reconciliation of Fund			
Fund balance brought forward		261,648,588	185,371,337
Fund balance carried forward		340,919,939	261,648,588

Statement of Financial Position

as at 31 March 2026

	Notes	31.03.26 £	31.03.25 £
Current Assets			
Cash and cash equivalents	<u>10</u>	336,581,972	256,829,423
Restricted cash	<u>10</u>	318,674	388,002
ATOL Protection Contribution and other debtors	<u>11</u>	13,204,733	14,089,596
Prepayments and accrued income	<u>12</u>	853,965	997,506
Total Current Assets		350,959,344	272,304,527
Total Assets		350,959,344	272,304,527
Current Liabilities			
Provisions	<u>15</u>	(2,939,052)	(2,716,352)
Restricted cash held in relation to failures	<u>10</u>	(318,674)	(388,002)
Trade and other payables	<u>13</u>	(3,733,370)	(3,679,602)
Income tax creditor	<u>8</u>	(3,048,309)	(3,871,983)
Total Current Liabilities		(10,039,405)	(10,655,939)
Net Current Assets		340,919,939	261,648,588
Net Assets		340,919,939	261,648,588
Represented by			
Fund account		340,919,939	261,648,588

The Financial Statements including notes 1–20 were approved by the Trustees on 18 June 2026 and signed on their behalf by:

Patricia McAuley
Chair of Trustees

Tracey Martin
Trustee

Statement of Cash Flows

for the year ended 31 March 2026

	Notes	Year to 31.03.26 £	Year to 31.03.25 £
Cash flows from operating activities			
Net surplus of fund before tax		84,539,691	81,222,909
<i>Adjustments for:</i>			
Interest and investment income	9	(11,707,421)	(10,990,352)
Net finance costs and foreign exchange losses	9	252,561	564,825
Loss on disposal of subsidiary	17	-	4
Net operating surplus		73,084,831	70,797,386
Decrease / (Increase) in trade and other receivables		884,863	(936,738)
(Increase) / decrease in prepayments	12	(23,869)	2,557
Increase in provisions	15	222,700	1,786,554
(Decrease) / increase in trade and other payables	10, 13	(15,560)	173,003
Cash generated from operating activities		74,152,965	71,822,762
Tax paid	8	(6,092,014)	(4,141,674)
Net cash generated from operating activities		68,060,951	67,681,088
Cash flows from investing activities			
Interest and investment income received	9	11,874,831	10,874,859
Net cash generated from investing activities		11,874,831	10,874,859
Cash flows from financing activities			
Finance costs	9	(252,291)	(562,000)
Net cash used in financing activities		(252,291)	(562,000)
Net increase in cash and cash equivalents		79,683,491	77,993,947
Cash and cash equivalents at beginning of period	10	257,217,425	179,226,303
Effects of exchange rate changes on cash balances held in foreign currencies	9	(270)	(2,825)
Cash and cash equivalents at end of period	10	336,900,646	257,217,425
Unrestricted cash		336,581,972	256,829,423
Restricted cash		318,674	388,002

Notes to the Financial Statements

for the year ended 31 March 2026

1 Material Accounting Policies

1.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and with the terms of clause 17 of the Trust Deed (shown at [Appendix 1](#) of the Annual Report & Financial Statements) and directions from the Secretary of State as referred to therein.

1.2 Going concern

The ATT is the primary means by which the UK Government delivers its policy of consumer protection in relation to package travel. When reviewing the Annual Report & Financial Statements, the Trustees explicitly consider whether the Trust has sufficient assets and resources available to meet its actual and anticipated obligations on a going concern basis.

At 18 June 2026, the Trust's resources primarily include £355m of cash and cash equivalents, and to the extent that those resources may be insufficient to meet the costs of a large or multiple failures, the Trustees' expectation is that HMG will provide additional financial support to the ATT as necessary. That expectation is based on the support provided by HMG to the ATT over many years. In addition, the Trustees have considered the criteria set out in the ATT Payment Policy, the Trustees' view as to their obligations under the Trust Deed and the Trustees' view as to how the UK Government is expected to fulfil its obligations in relation to package travel. The Trustees allowed the commercial borrowing facility to lapse in May 2026, as this was no longer considered necessary to provide liquidity, as well as to save unnecessary costs.

In addition, the Trustees take account of the overall performance of the package travel sector, the CAA's summary assessment of the actual and forecast performance of certain ATOL holders, and of any strategic policy direction provided by the Secretary of State for Transport and HMG more broadly. The Trustees recognise that the macroeconomic environment over the past five years has had a significant impact on package travel, and whilst the sector has now predominantly recovered, there remains some limited uncertainty over the income and expenditure of the Trust, in terms of the level of APC Income and the number and aggregate cost of ATOL failures.

A range of scenarios have been considered in assessing likely outcomes and the impact this may have on the Trust's resources. These scenarios cover a range of income levels and a combination of both large and multiple small ATOL holder failures. These scenarios all indicate that the Trust has adequate resources to continue to operate as a going concern.

As outlined in [note 20](#) to the Financial Statements below, costs of under £0.1 million to date are expected as a result of two ATOL holder failures since the year-end. This experience of both income and expenditure variations has been used to continuously review forecasts and validate the Trust's scenario analyses.

Notes to the Financial Statements (*continued*)

1.2 Going concern (*continued*)

Having taken relevant factors into account, the Trustees have concluded that the ATT has adequate resources available to continue in operational existence for the foreseeable future, being not less than twelve months from the date of this Annual Report & Financial Statements, and that it is appropriate to adopt the going concern basis for their preparation.

1.3 New Accounting Standards, Interpretations and Amendments

The following are the new and amended accounting standards that have an effective date after the date of these financial statements:

Amended Standard		Applicable Date
IFRS 9 & IFRS 7	<i>Classification and measurement of financial instruments</i>	01/01/2026
IFRS 18	<i>Presentation and disclosures in financial statements</i>	01/01/2027
IFRS 19	<i>Subsidiaries without public accountability: disclosures</i>	01/01/2027

The amendments to IFRS 9, IFRS 7 and IFRS 19 are not expected to have a material impact on the Trust's reported financial performance or position. The Trustees are assessing the impact of IFRS 18, and the Trust's financial reporting will conform with the standard once applicable.

1.4 Basis of measurement

These Financial Statements have been prepared on the historical cost basis.

1.5 Use of estimates and judgements

The preparation of the Financial Statements in conformity with IFRS requires the Trustees to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Information about assumptions and estimates that contain a risk of resulting in a material adjustment within the next financial year are included in note 2 to the Financial Statements.

1.6 Income recognition

The Trust's income arises from contributions by air travel organisers who are required to hold an ATOL, known as ATOL Protection Contributions or APC. APC is a statutory payment that must be made for each applicable passenger booking taken by an ATOL holder.

Income is recognised when the amount can be reliably measured and it is probable that future economic benefits will flow to the Trust. The Trust recognises income in the period that the passenger bookings are made. The bookings return (disclosing the number of bookings taken) submitted by each ATOL holder provides a reliable measurement of APC income due from ATOL holders.

The Trust also relies on the regular monitoring and compliance work carried out by the CAA in support of the ATOL licensing system, together with its own detailed analysis of returns submitted by all licence holders, to provide verification of the accuracy of APC income. This is supplemented with reports from the independent auditors of ATOL holders, including ATOL Reporting Accountants.

Notes to the Financial Statements (*continued*)

1.7 Other income

Liquidation dividends and income arising from legal settlements are recognised immediately on receipt of cash or cash equivalents and measured at the fair value of the consideration received.

1.8 Expenditure

Except for those items requiring estimation and judgements disclosed in [note 2](#) to the Financial Statements, all expenditure is accounted for on an accruals basis.

1.9 Foreign currencies

These Financial Statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Trust operates (its *functional currency*). Transactions in currencies other than the Trust's functional currency (*foreign currencies*) are recognised at the rates of exchange prevailing on the dates of the transactions. At the Statement of Financial Position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognised in the Statement of Financial Activities within 'Finance income and costs' in the period in which they arise.

1.10 Taxation

Income tax is payable on interest and investment income, and is calculated using the tax rates for trusts enacted or substantively enacted at the Statement of Financial Position date.

1.11 Financial instruments

Financial assets and financial liabilities are recognised at fair value in the Trust's Statement of Financial Position when it becomes a party to the contractual provisions of the instrument.

Receivables

Trade receivables are classed and recognised as short term receivables and relate to APC income. These receivables are measured at fair value and based on the returns from ATOL holders. They are not subject to any impairment given the statutory nature of APC.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Investments

Assets in money market funds, whose contractual cash flows do not represent solely payments of interest and principal, are classified as cash equivalents on the Statement of Financial Position, and are measured at fair value with gains and losses arising from changes in fair value included the Statement of Financial Activities for the period. These funds are classified within Level 1 of the fair value hierarchy because their valuation is based on unadjusted, quoted market prices in active markets.

Notes to the Financial Statements (*continued*)

1.11 Financial instruments (*continued*)

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss. Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. The Trust will derecognise financial liabilities when, and only when, the Trust's obligations are discharged, cancelled or they expire.

2 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Trustees do not consider there to be any critical accounting judgements, apart from those involving estimates as below, that must be applied.

2.1 Key sources of estimation uncertainty

Compensation claims - Recognition

Following every ATOL holder failure, the CAA provides the Trustees with details of the failed ATOL holder, an assessment of the expected costs of the failure, and details of any other parties who are expected to provide compensation to affected consumers. Having reviewed that information, if the Trustees subsequently instruct the CAA to invite consumers to register their claims for compensation, then in accordance with IAS 37 *Provisions, contingent liabilities and contingent assets*, the Trust will recognise a provision for the costs expected to be incurred and which will lead to probable economic outflows of uncertain timing and amounts.

The Trust recognises the cost expected to arise in connection with each failure as an expense in the Statement of Financial Activities and a corresponding provision in the Statement of Financial Position at the date that consumers are invited to submit claims, as this represents the obligating event in the context of IAS 37. See [note 7](#) and [note 15](#) to the Financial Statements for further details.

Compensation claims - Measurement

The Trustees rely on multiple sources of information in order to establish a reliable estimate of the total costs expected following the failure of an ATOL holder, including, but not limited to; information provided by the CAA, bookings databases and other information supplied by management and administrators of the failed ATOL holder, past experience and retained knowledge. The estimation of total expected costs to the Trust (including administrative overheads) takes into consideration any funding available from third parties, such as security put in place by the failed ATOL holder, or claims that are the responsibility of other third parties, such as credit card providers.

Notes to the Financial Statements *(continued)*

2.1 Key sources of estimation uncertainty *(continued)*

Compensation claims – Measurement *(continued)*

The Trust calculates the expected cost of a failure using the best information available at the date of the Financial Statements. It is highly likely that this figure will be subject to revision as the failure progresses, and any adjustment will be recorded in the following financial year. For example, not all consumers will claim from the ATT, or it is possible the data obtained from the failed company may be inaccurate. In some failures, the company may not provide any information at all and the best estimate may be based mainly on the pattern of claims received to date.

The progress of each failure is continuously monitored and provisions are regularly updated to reflect the most accurate position available. However, given the complexities involved in the administration of an ATOL holder failure as outlined above, it is possible that material adjustments may be required in the following financial reporting period where the availability of new or improved information facilitates the need to do so.

3 ATOL Protection Contributions

Income, all of which arises in the United Kingdom, is attributable to APC received in the year (including any late payment penalty interest imposed in accordance with the ATT Regulations).

	Year to 31.03.26 £	Year to 31.03.25 £
ATOL Protection Contributions	79,494,712	79,079,990
Totals	79,494,712	79,079,990

Notes to the Financial Statements *(continued)*

4 Liquidation Dividends

Liquidation dividends were received in respect of the following failed ATOL holders:

	Year to 31.03.26 £	Year to 31.03.25 £
APS Select Limited	63,078	-
<i>Other failed ATOL holders</i> ¹	30,511	51,652
Pan Express Business Travel Ltd	-	251,977
Harris Holidays Ltd	-	110,080
The Holiday Place plc	-	93,974
Monarch Travel Group	-	50,671
Totals	93,589	558,354

¹ Only liquidation dividends received in excess of £50,000 are individually listed above. There was one liquidation dividend of under £50,000 received in the year (2025: 4) and these are aggregated together under 'Other failed ATOL holders'.

5 Audit and Legal Expenses

	Year to 31.03.26 £	Year to 31.03.25 £
Fees payable to the Trust's auditors for the audit of the Trust's Financial Statements	190,800	233,021
Fees payable to the Trust's auditors for other services to the Trust	5,400	5,940
Legal expenses	161,972	113,801
Totals	358,172	352,762

Notes to the Financial Statements *(continued)*

6 Other Administrative Expenses

	Year to 31.03.26 £	Year to 31.03.25 £
Service charges to Accredited Bodies and Franchises	3,051,342	2,957,362
Marketing and promotion expenses	151,239	400,044
Charge from CAA for administrative services	2,051,247	2,028,230
Contingency planning expenses	167,221	112,672
Charge from CAA for consumer claims portal	207,919	1,284,941
Other expenditure	46,200	148,980
Totals	5,675,168	6,932,229

Service charges

The Trust recognises and supports the benefits provided by Accredited Bodies and Franchises, both to the Trust itself and to consumers, and pays a service charge in respect of each qualifying booking taken.

Consumer claims portal

The Trustees have continued to engage with the CAA in developing their strategic consumer claims management system, which went live in September 2024. The investment in this system allows for a rolling programme of continuous improvement and feature development to further support ATOL protected consumers when making claims. These costs have been expensed as they do not meet the recognition criteria of IAS 38 *Intangible Assets*.

Notes to the Financial Statements *(continued)*

7 Net Provisions for Compensation Claims by ATOL Failure

Provisions for compensation claims charged or released to the Statement of Financial Activities in the year. Recognition and subsequent measurement is disclosed in [note 2.1](#) to the Financial Statements.

	Year to 31.03.26 £	Year to 31.03.25 £
<i>Failures since 01.04.25</i>		
<i>Other failures</i> ¹	1,046,963	-
Current year failures	1,046,963	-
<i>Failures prior to 01.04.25</i>		
Jetline Travel Ltd	(414,459)	1,046,143
<i>Other failures</i> ¹	(162,374)	509,828
Prior year failures	(576,833)	1,555,971
Totals	470,130	1,555,971

¹ Provisions for new failures or movements on prior year failures are only listed individually above where either the current year or prior year value is in excess of £500,000; all other smaller failures and movements are aggregated together under 'Other failures'. Further details of the current year failures are detailed in [note 15](#) to the Financial Statements.

8 Income Tax

The Trust is only liable for income tax on interest and investment income received by the Trust. The Trust has provided for income tax at 45% (2025: 45%) on income of £11,707,421 (2025: £10,990,352).

	Year to 31.03.26 £	Year to 31.03.25 £
Tax payable at the start of the year	3,871,983	3,067,999
Income tax due on taxable income during the year	5,268,340	4,945,658
Tax paid during the year	(6,092,014)	(4,141,674)
Tax payable at end of the year	3,048,309	3,871,983

Notes to the Financial Statements *(continued)*

9 Finance Income and Costs

	Year to 31.03.26 £	Year to 31.03.25 £
Finance income		
Interest income	9,756,410	10,990,352
Dividend income from money market investments	1,951,011	-
Total finance income	11,707,421	10,990,352
Finance costs		
Foreign exchange loss on cash and cash equivalents	(270)	(2,825)
Bank charges for facility availability	(245,000)	(245,000)
Overdraft and loan facility arrangement fees	(7,291)	(317,000)
Total finance costs	(252,561)	(564,825)
Net finance income	11,454,860	10,425,527

10 Cash and Cash Equivalents

	Year to 31.03.26 £	Year to 31.03.25 £
Unrestricted cash		
Cash held in current accounts	11,581,972	31,829,423
Bank deposits accessible in 95 days or under	250,000,000	225,000,000
Money market funds accessible immediately ¹	75,000,000	-
Total unrestricted cash	336,581,972	256,829,423
Restricted cash ²		
Cash held in current accounts	318,674	388,002
Total restricted cash	318,674	388,002
Total cash and cash equivalents	336,900,646	257,217,425

¹ Items are measured at fair value, and the valuation basis is a level 1 classification, which comprises financial instruments where fair value is determined by unadjusted quoted prices in active markets.

² Restricted Cash refers to amounts received from financial security provided by failed ATOL holders and represents funds not yet used but still available for the benefit of consumers. The Trust recognises an asset in respect of the remaining cash held and a corresponding liability in respect of those amounts currently unused and ultimately due to the security providers or the insolvent estate.

Notes to the Financial Statements *(continued)*

11 ATOL Protection Contribution and Other Debtors

	31.03.26	31.03.25
	£	£
APC debtors	13,204,418	14,089,545
Other debtors	315	51
Totals	13,204,733	14,089,596

The Trustees consider that the carrying amount of receivables approximates to their fair value.

12 Prepayments and Accrued Income

	31.03.26	31.03.25
	£	£
Prepayments	96,939	73,070
Accrued interest income	757,026	924,436
Totals	853,965	997,506

13 Trade and Other Payables

	31.03.26	31.03.25
	£	£
Trade and other payables	3,733,370	3,679,602
Totals	3,733,370	3,679,602

Trade and other payables principally comprise amounts outstanding for service charges payable to the Accredited Bodies and Franchises, and other administrative costs. It is the Trust's policy to pay on receipt of invoice and thereby eliminating any risk of late payment interest and penalty charges.

The Trustees consider that the carrying amount of trade payables approximates to their fair value.

Notes to the Financial Statements *(continued)*

14 Borrowings

During the reporting period, the Trust had in place an unsecured revolving credit facility agreement with its bank that allows the Trust to call upon borrowings of up to £75 million. This facility expired in May 2026 and given the level of cash held in the ATT, the Trustees took the decision not to renew the facility. There were no calls on the facility during the year (2025: none).

15 Provisions for Compensation Claims

	31.03.26	31.03.25
	£	£
Provisions for compensation claims		
At the beginning of the year	2,716,352	929,798
Provisions charged for new failures during the year	1,046,963	1,693,339
Additional charges for prior year failures	19,798	2,711
Releases relating to prior year failures	(596,631)	(140,079)
Payments made during the year	(1,246,164)	(1,355,853)
Other recoveries ¹	998,734	1,586,436
Total provisions at end of the year	2,939,052	2,716,352

¹ In all failures, the ATT will lodge insolvency claims in the estate of the failed ATOL holder. In the case of Thomas Cook, under the terms of the insurance policy that was in place at the time of the failure, any recoveries in respect of Thomas Cook are to be repaid to the insurers, and are not treated as income to the Trust. This amount represents the net recoveries received in the year to which the ATT has no beneficial entitlement, and will be passed to the insurers in due course. There is no impact from these recoveries on the Trust's Statement of Financial Activities.

The provision for compensation claims is based on estimates outlined in [notes 2.1 and 2.2](#) to the Financial Statements and in accordance with IAS 37 *Provisions, contingent liabilities and contingent assets*. Expenditure is normally expected to be settled within two years after the failure but large or complex failures may take significantly longer to complete.

Notes to the Financial Statements *(continued)*

16 Financial Risk Management

16.1 Capital risk management

The Trust manages its capital to ensure that it will be able to continue as a going concern while ensuring an adequate return to the Trust through the optimisation of the fund invested in each transaction. The capital structure of the Trust consists of borrowing facilities, as disclosed in [note 14](#) to the Financial Statements, cash and the fund as disclosed in the [Statement of Financial Position](#).

The Trust does not have any externally imposed capital requirements.

16.2 Financial risk management objectives

The Trust manages the financial risks relating to its ongoing operations. These risks include market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. Where borrowing is necessary, the Trust seeks to minimise the effects of certain of these risks by acquiring fixed rate debt that provides a fixed and determinable cash flow for the Trust.

The Trust does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

16.3 Market risk

The Trust's activities expose it to the financial risks of changes in interest rates, potentially impacting future returns on cash and cash equivalents. The Trust is also exposed to market risk through its investment in money market funds, whose returns are linked to prevailing short-term money market rates. The underlying assets typically have short maturities, limiting the duration risk and associated fair value volatility.

16.4 Credit risk

The Trust's primary source of income (APC) is statutory in nature, over 80% of which is paid by Direct Debit. The number and value of bad debtors is negligible as the CAA would not typically renew an ATOL licence where APC had not been paid. As a result, the Trustees do not recognise any impairment of trade and other receivables in the Statement of Financial Activities.

16.5 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Trustees. The Trustees have built an appropriate liquidity risk management framework for the management of the Trust's funding and liquidity requirements. The Trust's contractual maturity for its financial assets are currently limited to fixed-term or notice cash deposits, and highly liquid money market investments, and its liabilities are limited to short-term trade and other payables, all of which are payable within less than six months. The contractual cash flows are the same as the principal amounts.

Notes to the Financial Statements *(continued)*

17 Investment in Subsidiaries

A subsidiary company “ATT re MAEL Ltd” was previously incorporated in 2018 specifically for the purpose of holding certain preference shares issued by Monarch Aircraft Engineering Ltd (“MAEL”). Shortly afterwards, MAEL went into administration. The Trustees have not prepared consolidated financial statements on the basis that the carrying value of the subsidiary was immaterial, and that the impact of omitting this from the Statement of Financial Activities and the Statement of Financial Position was also immaterial. The company was dissolved on 6 May 2025.

18 Ultimate Controlling Party

The Air Travel Trust is a discretionary trust created by the UK Secretary of State for Transport, and is controlled by the Trustees in accordance with the terms of the Trust Deed. The Trust Deed is shown at [Appendix 1](#) of the Annual Report & Financial Statements.

19 Related-party Transactions

Under the terms of the Trust Deed, the power to appoint Trustees lies primarily with the Chair and Chief Executive Officer of the CAA. Three of the current Trustees (S Chadha, T Martin and P McAuley) are Board Members of the CAA, and one of the Trustees (J Spence) is Secretary to the CAA. The Trust does not operate for the benefit of the CAA and it is not consolidated in the CAA’s financial statements under direction of the Secretary of State for Transport.

The relationship between the Trust, the CAA and the Secretary of State for Transport is outlined in more detail at the start of the [Report of the Trustees](#), on page 4. Amounts paid to the CAA in the year are disclosed in [note 6](#) to the Financial Statements.

20 Events After the Reporting Period

Since the balance sheet date and up to 18 June 2026, two ATOL holders have failed. The cost to the ATT of these failure is estimated to be less than £0.1 million.

Appendix 1 – Text of the Trust Deed

CONFORMED COPY OF AIR TRAVEL TRUST DEED DATED 5 JANUARY 2004 AS AMENDED BY DEEDS OF VARIATION DATED 4 JANUARY 2005, 18 MARCH 2008, 27 APRIL 2012, 18 MAY 2016, 29 APRIL 2019, 17 JULY 2020 AND 11 JANUARY 2024

WHEREAS:

- (A) A fund known as the Air Travel Reserve Fund (the “**Fund**”) was established in 1975 to help repatriate and meet claims for losses and liabilities incurred by passengers and customers of failed air travel operators.
- (B) In 1986, the Fund was wound up and its assets were transferred to a trust known as the Air Travel Trust set up pursuant to a Deed dated 28 January 1986 (the “**1986 Deed**”) to perform the same function.
- (C) The Secretary of State subsequently declared new trusts under which the same function has been performed by a trust also known as the Air Travel Trust.
- (D) The Air Travel Trust in its current form was established by deed on 5 January 2004 as amended by deeds of variation on 4 January 2005, 18 March 2008, 27 April 2012, 18 May 2016, 29 April 2019 and 17 July 2020 (the “**2004 Deed**”).
- (E) The Secretary of State, with the consent of the Trustees (as defined below), has amended the 2004 Deed in accordance with Clause 18 thereof by a deed of variation dated 11 January 2024 (the “**Deed of Variation**”).
- (F) This deed sets out the terms of the 2004 Deed as varied by the Deed of Variation.

NOW THIS DEED WITNESSETH as follows:

- 1.** **THIS** deed, being the 2004 Deed as varied by the Deed of Variation, shall hereafter be referred to as the “**Deed**”.
- 2.** **THE** parties hereto agree that, notwithstanding any provisions to the contrary set out herein or in any other relevant document:
 - (a) any guarantee relating to borrowings by the Air Travel Trust under the 2004 Deed shall not be affected but shall continue to apply as if the same related to the Air Travel Trust as constituted by this Deed;
 - (b) any other right, privilege, obligation or liability acquired, accrued or incurred under the 2004 Deed shall continue as if acquired, accrued or incurred under this Deed; and
 - (c) any investigation, legal proceeding or remedy in respect of any such guarantee, right, privilege, obligation or liability shall not be affected but shall continue to apply as if the same related to the Air Travel Trust as constituted by this Deed.
- 3.** **THE** trust constituted by this Deed shall be known as the “Air Travel Trust” unless and until the Trustees adopt and apply to it (as they are hereby entitled to do) some other name.
- 4.** **TERMS** defined in the ATT Regulations and the ATOL Regulations (as each term is defined below) shall bear the same meaning when used in this Deed unless otherwise defined herein. The following expressions have the following meanings:
 - “**Act**” means the Civil Aviation Act 1982 as amended from time to time;
 - “**Agent**” means a person who acts as agent on behalf and with the authority of a disclosed identified principal who is an ATOL holder provided that such person, immediately upon their receipt of any payment for flight accommodation being made available:
 - (a) is entitled to supply an ATOL Certificate on behalf of the ATOL holder without reference to the ATOL holder;
 - (b) is able to bind the ATOL holder to the contract for flight accommodation; and
 - (c) acts in accordance with the terms of a written agency agreement which complies with such requirements as the CAA publishes from time to time;
 - “**air travel organiser**” means a person whose activities consist of or include activities in respect of which he is required by virtue of any regulations for the time being in force under Section 71 of the Act to hold an ATOL;
 - “**ATOL**” means an air travel organiser’s licence granted by the CAA under the ATOL Regulations;
 - “**ATOL Certificate**” means a document which complies with such requirement as the CAA publishes from time to time;
 - “**ATOL holder**” means a person who holds an ATOL;
 - “**ATOL Regulations**” means The Civil Aviation (Air Travel Organisers’ Licensing) Regulations 2012 as such regulations may be amended, supplemented or replaced from time to time;
 - “**ATT Regulations**” means The Civil Aviation (Contributions to the Air Travel Trust) Regulations 2007 as such regulations may be amended, supplemented or replaced from time to time;
 - “**Beneficiary**” means a person to whom the Trustees will make a payment of any part of the Trust Fund under their power in Clause 6(2) hereof;
 - “**CAA**” means the Civil Aviation Authority;
 - “**CAA Chair**” means a Member of the CAA appointed as Chair of the CAA by the Secretary of State under section 2 of the Act;

“certified licensable transaction” means a transaction which the CAA has certified in an Expenditure Report to be a licensable transaction;

“consumer” includes a traveller and means an individual who:

- (a) makes use of flight accommodation for travel in person or provides it to another person who uses that flight accommodation for travel in person; or
 - (b) intends to make use of flight accommodation for travel in person or intends to provide it to another person to use that flight accommodation for travel in person; or
 - (c) makes use of flight accommodation for travel in person which has been provided to them by a person who is a consumer by reason of sub-paragraph (a) of this definition,
- but is not a person who procures flight accommodation in the course of business while acting as the agent of another person who uses that flight accommodation for travel in person;

“Expenditure Report” means a report provided by CAA to the Trustees, in which *inter alia*, the CAA certifies that the ATOL holder named in the report is a person who is a Failed ATOL holder or Potential Failed ATOL holder and

- (a) losses, liabilities or expenses have been incurred by or on behalf of consumers as a result of that Failed ATOL holder not fulfilling its obligations under or in connection with transactions that CAA certifies to be licensable transactions as defined in this Deed; and/or
- (b) liabilities or expenses that have been incurred by the Trustees prior to failure of that ATOL holder were in respect of contingency plans for a Potential Failed ATOL holder; and/or
- (c) losses, liabilities or expenses have otherwise been incurred which the Trustees have powers to make payments for under the terms of this Trust Deed;

“Failed ATOL holder” means an ATOL holder, or a person who held an ATOL within the previous 6 months, and:

- (a) who, in the opinion of the CAA:
 - (i) has gone into insolvency; or
 - (ii) cannot or will not be able to meet in whole or in part its obligations to its consumers; and/or
 - (iii) will fail to meet in whole or part its obligations to its consumers; and
- (b) in respect of whom the CAA publishes a notice of failure of that ATOL holder in the “Register of Failed ATOL holders” published by the CAA;

Any reference to “Failed ATOL holder” elsewhere in this Deed, including in the other definitions in this clause 4, should be read as to include Failed EEA ATOL holder.

“Failed EEA ATOL holder” means a person who is not an ATOL holder but who is established in an EEA state other than the UK and who held an ATOL on 30 June 2018 which expired on or before 31 January 2020 and:

- (a) who, in the opinion of the CAA:
 - (i) has gone into insolvency; or
 - (ii) cannot or will not be able to meet in whole or in part its obligations to its consumers; and/or
 - (iii) will fail to meet in whole or part its obligations to its consumers; and
- (b) in respect of whom the CAA publishes a notice of failure of that ATOL holder in the “Register of Failed ATOL holders” published by the CAA;

“flight accommodation” means accommodation for the carriage of persons on a flight in any part of the world;

a **“Flight-Plus”** exists when in respect of a booking made on or before 30 June 2018:

- (a) flight accommodation is made available which includes as a minimum:
 - (i) a flight out of the United Kingdom; or
 - (ii) a flight into the United Kingdom where the consumer has commenced the journey in the United Kingdom and departed the United Kingdom using another means of transport; and
- (b) living accommodation outside the United Kingdom or self-drive car hire outside the United Kingdom or both is supplied by any person under or in connection with the contract for such flight accommodation; and
- (c) such living accommodation or self-drive car hire is requested to be booked by or on behalf of the consumer on the same day as the consumer requests to book the flight accommodation, the previous day or the next day; and
- (d) the arrangement covers a period of more than twenty-four hours or includes overnight living accommodation,

PROVIDED THAT:

- (I) where a Flight-Plus exists, any other tourist services will be included in the Flight-Plus if such services:
 - (a) are not ancillary to flight accommodation or living accommodation;
 - (b) account for a significant proportion of the Flight-Plus;
 - (c) were supplied under or in connection with the contract for the flight accommodation; and
 - (d) were requested to be booked by or behalf of the consumer on the same day as the consumer requested to book the flight accommodation, the previous day or the next day; and
- (II) a package is not a Flight-Plus except –
 - (a) where a package does not include flight accommodation, flight accommodation (as described in (a) above) is requested to be booked by or on behalf of the consumer on the same day as the consumer requests to book the package, the previous day or the next day; or

- (b) where a package does include flight accommodation, living accommodation or self-drive car hire outside the United Kingdom is requested to be booked by or on behalf of the consumer on the same day as the consumer requests to book the package, the previous day or the next day;
- (III) a flight which begins and ends in the United Kingdom does not form part of a Flight-Plus;
- (IV) a Flight-Plus will cease to exist if:
 - (a) the consumer withdraws from the contract for any component of the Flight-Plus; and
 - (b) as a consequence of that withdrawal, the requirements in paragraphs (a), (b) or (c) of this definition are no longer satisfied.

“Flight-Plus arranger” means a person (other than the operator of the relevant aircraft) who in respect of a booking made on or before 30 June 2018:

- (a) as a principal or agent, makes available flight accommodation in response to a request to book which has been made directly to them by a consumer; and
- (b) has taken or takes any step which is intended to include, facilitate or enable or has the effect of including, facilitating or enabling the inclusion of that flight accommodation as a component of a Flight-Plus;

“Fulfilment Partner” means any third party, including (without limitation) a claims handler, appointed by the Trustees to act on behalf of or at the request of the Air Travel Trust in making arrangements for consumers in accordance with the terms of this Deed;

“licensable transaction” means a “relevant booking” as defined in the ATT Regulations; a relevant booking being an offer:

- (a) made by a consumer to purchase flight accommodation for one or more persons on a flight; and
- (b) which is accepted by:
 - (i) an air travel organiser; or
 - (ii) where an ATOL is held by an accredited body, a member of that accredited body,

and constitutes an activity in respect of which that organiser or accredited body is required to hold an ATOL;

“Member” means any person appointed under section 2 of the Act;

“package” means, if booked on or before 30 June 2018, the pre-arranged combination of at least two of the following components when sold or offered for sale at an inclusive price and when the service covers a period of more than twenty-four hours or includes overnight accommodation:

- (a) transport;
- (b) accommodation;
- (c) other tourist services not ancillary to transport or accommodation and accounting for a significant proportion of the package, and
 - (i) the submission of separate accounts for different components shall not cause the arrangements to be other than a package;
 - (ii) the fact that a combination is arranged at the request of the consumer and in accordance with the consumer’s specific instructions (whether modified or not) shall not of itself cause it to be treated as other than pre-arranged;

and, if booked after that date, has the meaning as in regulation 4A of the ATOL Regulations.

“Potential Failed ATOL holder” means an ATOL holder that CAA has certified in an Expenditure Report to be an ATOL holder, or a person who held an ATOL within the previous 6 months:

- (a) who, in the opinion of the CAA is at risk of:
 - (i) going into insolvency; or
 - (ii) not being willing or able to meet in whole or in part its obligations to its consumers; and/or
 - (iii) failing to meet in whole or part its obligations to its consumers; and
- (b) in respect of whom there is potential that the CAA may have to consider whether to publish a notice of failure of that ATOL holder in the “Register of Failed ATOL holders” published by the CAA;

“Secretary of State” means the Secretary of State for Transport for the time being;

“Specified Period” means the period beginning on the 5 January 2004 and enduring for one hundred and twenty-five years thereafter and the said number shall be the perpetuity period applicable to this Deed;

“Trustees” means:

- (a) three or more Members appointed as Trustees jointly by the CAA’s Chief Executive Officer and CAA Chair;
 - (b) one or more employee of the CAA appointed as a Trustee jointly by the CAA’s Chief Executive Officer and CAA Chair; and
 - (c) such additional persons as may be appointed pursuant to clause 11 hereof;
- and in the singular means any one of them;

“Trust Fund” means and includes:

- (a) the trust fund and all other assets subject to the trusts declared by the Deed dated 28 January 1986 made between the Secretary of State of the one part and Raymond Colegate CSE, Ian Edward Donovan, Thomas McMillan and Gillian Mary Eve White of the other part;
- (b) all money investments or other assets hereafter paid or transferred by any person or persons to or into the control of the Trustees and accepted by them as additions to the Trust Fund including (but without limitation) all contributions paid by air travel organisers pursuant to regulations made under section 71A of the Act;
- (c) any property the proceeds of sale whereof are required or directed to be held upon the trusts hereof;

- (d) all other capital assets including any choses in action and capital money which hereafter by any means become or are made subject to the trusts hereof; and
- (e) the investments property and other assets from time to time representing the foregoing items or any part or parts thereof.

5. THE Trustees shall hold the Trust Fund and the income thereof during the Specified Period upon the trusts and with and subject to the powers and provisions hereinafter declared and contained. The primary purpose of the Trust Fund (without limitation) is the provision of compensation for losses incurred or suffered by consumers and others who suffer losses or incur costs as a result of the provision to consumers of compensation or compensating services, in each case as a result of a Failed ATOL holder not fulfilling its obligations in relation to certified licensable transactions (whether being part of a package, a Flight-Plus or otherwise).

6. THE Trustees shall have the following powers which are exercisable if and as the Trustees (or two or more of them in accordance with clause 12) in their absolute discretion should see fit (and, where relevant, whether before or after a relevant consumer has departed on the outward leg of the relevant journey on the date of failure of the applicable ATOL holder):

- (1) power from time to time during the Specified Period to accumulate the whole or any part of the income and capital of the Trust Fund by investing the same and the resulting income thereof in any investments authorised in accordance with this Deed and adding the accumulations to the capital of the Trust Fund;
- (2) power (subject where relevant to clause 7 hereof) at any time or times during the Specified Period to pay or apply the whole or any part of the Trust Fund and of any income thereof (without making any distinction between capital and income);
 - (a) to or for the benefit of any consumer in respect of any of the following:
 - (i) any loss which, in the opinion of the Trustees, has been incurred by or on behalf of such consumer in respect of any payment made by or on behalf of the consumer to a Failed ATOL holder or to the Agent of a Failed ATOL holder under or with a view to entering into a certified licensable transaction; or
 - (ii) any loss or liability which, in the opinion of the Trustees has been incurred by or on behalf of such consumer in consequence of a breach by the Failed ATOL holder or of the Agent of the Failed ATOL holder of any of their relevant obligations towards the consumer under or in connection with a certified licensable transaction; or
 - (iii) any loss which, in the opinion of the Trustees, has been incurred by or on behalf of such consumer who has accepted a voucher (whether or not that voucher incorporates a right to be redeemed for cash) from an ATOL holder or the Agent of an ATOL holder in lieu of a refund (whether statutory or otherwise) under or in connection with a certified licensable transaction (whether that loss has been incurred prior to the redemption of the voucher or thereafter) such loss being in respect of that refund, provided that
 - (a) the licensable transaction has been certified by the CAA to have not been performed by reason, in whole or part, of the COVID-19 crisis; and
 - (b) the relevant ATOL holder is a Failed ATOL holder (whether failure occurred on before or after the date of this provision of the Deed coming into force);
 - (b) in order to relieve loss occasioned to consumers by the failure of an ATOL holder by providing flight accommodation or other means of transport for consumers in substitution for flight accommodation which a Failed ATOL holder was to provide or was to arrange to be provided in accordance with his obligations under or in connection with any certified licensable transaction;
 - (c) in order to relieve loss occasioned to consumers by the failure of an ATOL holder by providing living accommodation, car hire, transfers, food, movement of baggage, funds to meet relevant incidental expenses and any other tourist services which are purchased by a consumer as either part of a package with a certified licensable transaction or a Flight-Plus with a certified licensable transaction, in substitution for any of the foregoing which a Failed ATOL holder was to provide or was to arrange to be provided in accordance with its obligations under or in connection with the relevant certified licensable transaction and, in addition, by providing living accommodation and funds to meet incidental expenses occasioned to consumers by the failure of an ATOL holder;
 - (d) to or for the benefit of any Fulfilment Partner who arranges for the provision of any of the services listed in clauses 6(2)(a), (b) and (c) in order to put such Fulfilment Partner in funds either to provide the relevant services itself or to pay the service providers for the provision of the relevant services (whether before or after the Fulfilment Partner has incurred such costs);
 - (e) to or for the benefit of any Fulfilment Partner in order to pay for any fees charged by or to the Fulfilment Partner for the provision of its arranging services to the Air Travel Trust;
 - (f) to Flight-Plus arrangers which have made the flight accommodation element of a Flight-Plus available as Agent for another ATOL holder and that other ATOL holder has become a Failed ATOL holder, by way of a contribution to the cost incurred by such Flight-Plus arranger in making

- suitable alternative arrangements for the relevant consumers and/or refunding and/or compensating the relevant consumers as required by the terms of that Flight-Plus arranger's ATOL (pursuant to the ATOL Regulations);
- (g) to third parties in settlement of any claim or class of claim pursued by any such third party against the Air Travel Trust, any Trustee (in his or her capacity as such) or otherwise in relation to the Trust Fund or this Deed, such settlements to be made at the sole discretion of the Trustees;
 - (h) to suppliers of services, including (without limitation) professional services and aviation services in respect of contingency plans for a Potential Failed ATOL holder, whether or not that ATOL holder in fact subsequently fails and whether or not in consequence of making that payment a person may also benefit who is not a consumer having a certified licensable transaction;
 - (i) to meet the cost of ancillary services or professional fees relating to the purposes of this Trust, including (without limitation) the administrative needs and promotion of the ATOL protection provided by the Air Travel Trust, the promotion of the ATOL protection provided by the ATOL Certificate and/or the education of consumers and/or the public about the ATOL protection provided by the Air Travel Trust, including but not limited to any retainer fees charged by external call centres and social media providers (and subsequent fees charged for call handling) whether or not those services are in fact ultimately required to be delivered by the Trustees;
 - (j) in meeting any expenses incurred in relation to making payments out of the Trust Fund and/or setting up and administering a scheme for the exercise of the powers in (a) to (i) above whether those expenses were incurred by the Trustees or by any agent acting on their behalf; and
 - (k) in meeting any administration fee charged in accordance with clause 10(17) hereof.

7. **IN** relation to the powers set out in clause 6(2) (other than clauses 6(2)(g), (i) and (j)) hereof:

- (1) the powers may only be exercised if:
 - (a) a Failed ATOL holder held an ATOL at the time of booking by or on behalf of a consumer or at any time in the three months prior to the time of booking. For these purposes, the time of booking means the time when a payment was first made by or on behalf of a consumer to the air travel organiser under or in contemplation of entering into a certified licensable transaction; or
 - (b) the CAA has certified in an Expenditure Report that expenses have been reasonably incurred in respect of a Potential Failed ATOL holder;
- (2) although the Trustees are entitled to apply all or any part of the Trust Fund for the purposes set out in clause 6(2), where a bond or other security has been provided by or on behalf of the Failed ATOL holder in accordance with any regulations made under Section 71 of the Act, then the ultimate burden in respect of payments made under clause 6(2) shall be borne by the money received pursuant to such bond or security; and
- (3) for the avoidance of doubt it is hereby declared that the Trustees may exercise any of the said powers in respect of claims arising from or in connection with any defaults occurring before 5 January 2004.

8. **IN** default of and subject to any exercise of the power in clause 6(2) hereof and to the extent that the trusts hereby declared shall not validly take effect and subject to clause 16 hereof, the Trustees shall hold the capital and income of the Trust Fund upon trust for such persons and purposes in such shares and upon such conditions as the Secretary of State shall by Order made before the end of the Specified Period direct and, in default of such an Order, for the Secretary of State.

9.

- (1) The Trustees shall have power to effect or concur in effecting any transaction concerning or affecting the trusts and powers contained in this Deed or any part of the Trust Fund or any other property whatsoever if the Trustees think the transaction is beneficial for such trusts and powers as if the Trustees were a sole absolute beneficial owner of the Trust Fund. Without prejudice to the generality of the foregoing, "transaction" includes any sale, exchange, assurance, grant, lease, surrender, reconveyance, release, reservation or other disposition and any purchase or other acquisition and any covenant, contract, licence, option or right, pre-emption and any compromise, partition, insurance guarantee or indemnity or any other dealing or arrangement including the delegation of any of the Trustees' powers under this Deed; "effect" has the meaning appropriate to the particular transaction and references to "property" include references to restrictions and burdens affecting property;
- (2) For the avoidance of doubt insofar as any obligation to pay any money or monies arises pursuant to a transaction which the Trustees effect or concur in effecting pursuant to sub-paragraph (1) of this clause 9, the Trustees shall be entitled to make such payment or payments from the Trust Fund and nothing in clause 7(2) hereof shall affect this entitlement.

10. **WITHOUT** prejudice to the generality of clause 9 hereof, the Trustees shall have and may exercise at any time or times the following powers:

- (1) power to borrow or to lend money for any purpose connected with the trusts and powers hereof whether with or without giving or receiving security;
- (2) power in connection with the investment and changing of investments of trust money:
 - (a) to obtain and pay for the advice of such broker or other persons as the Trustees may think fit; and
 - (b) to employ any banking or merchant banking company or firm or other person or persons to manage such investments and to delegate to such manager or managers all or any of the duties or powers of the Trustees in respect of the investments or changing of investments of trust money;
- (3) power to appoint any one or more of the Trustees to be the agents of the Trustees for the purpose of operating any bank or building society account of the Trustees or for the purpose of collecting any income of or managing or administering any property (in any part of the world) comprised in the Trust Fund or for any other purpose for which the Trustees may appoint agents;
- (4) power (without prejudice to the jurisdiction of the Court) to decide what money or property represents income and what represents capital and how as between the capital and income of the Trust Fund any expenses or costs shall be borne or provided;
- (5) power to enter into any arrangement or contract notwithstanding that the person or persons with whom or on whose behalf the arrangement or contract is made are or include one or more of the Trustees or an ATOL holder;
- (6) power to make such rules and regulations and policy statements dealing with the management, administration, payment, application or distribution of the Trust Fund or any part thereof and with matters connected therewith as the Trustees from time to time may think fit and from time to time revoke and replace all or any such rules or regulations or policy statements;
- (7) power to appoint, engage or retain such persons including without limitation, solicitors, accountants, brokers or any other agents as the Trustees may think fit or convenient to transact any business required to be done (including the receipt and payment of money) and any act in connection with such management, administration as is referred to in sub-clause (9) of this clause 10, payment, application or distribution and (pursuant to the general power for that purpose conferred by sub-clause (6) of this clause 10) to make amend revoke and replace rules and regulations for the purpose of defining the functions and powers of any such persons and power also (if the Trustees think fit) to pay an honorarium fee or salary to and the expenses of any persons even if the Trustees could transact that business by their own employees or personally;
- (8) power to make payment for the purpose of seeking professional advice in respect of the circumstances of potential as well as actual failures of ATOL holders; whether or not in consequence of making that payment a person may also benefit who is not a consumer having a certified licensable transaction;
- (9) in addition to all statutory powers of delegation, power to delegate all or any of the trusts powers and duties, and discretions vested in the Trustees hereunder for any period or periods (which may be renewed from time to time) or such terms as the Trustees think fit to any person or persons, and may grant powers of sub-delegation, and upon such terms (including the remuneration and the payment of the expenses of the delegatee or delegates and including provision for the delegates if more than one to exercise any such power or duty either jointly or jointly and severally) as the Trustees think fit (without being liable for the acts or defaults of any such delegatee) and to revoke or modify any such delegation or conditions or terms. For the avoidance of doubt, where the Trustees delegate the power contained in clause 6(2) hereof, references in clause 6(2) to the opinion of the Trustees shall be construed as also being a reference to the opinion of a delegatee or delegates where relevant;
- (10) power to enter into any arrangement or transaction or to make any payment with a view to keeping the business of a Failed ATOL holder in operation for such period as the Trustees think fit with a view to providing or assisting in the provision of the carriage which the Failed ATOL holder was to provide or was to arrange to be provided in accordance with its obligations under any certified licensable transaction and/or with a view to minimising potential losses, liabilities and expenses of the types referred to in clause 6(2) hereof;
- (11) power to appoint such persons as the Trustees may think fit or convenient to act in connection with such management or administration and (pursuant to the general power for that purpose conferred by sub-clause (6) of this clause 10) to make, amend, revoke and replace policies and/or contracts for the purpose of defining the functions and powers of any such persons and power also (if the Trustees think fit) to pay an honorarium fee or salary to and the expenses of any persons;
- (12) power to delegate from time to time to any such persons all or any of the powers and duties of the Trustees hereunder;
- (13) power to insure the Trust Fund against claims for payments arising as a result of the inability of one or more ATOL holders to meet their financial commitments or for sharing with insurers the burden of payment of such claims;
- (14) power to issue or grant any mortgage, charge lien or other security over all of any part of the property or assets of the Air Travel Trust (whether present or future) including without limitation the Trust Fund, and

also by such means to secure and guarantee the performance by the Trustees of any obligation undertaken by them;

- (15) power to undertake interest rate and currency swaps, options, swap option contracts or other financial instruments including hedging agreements and derivatives of any kind;
- (16) power to bring, defend or fund legal proceedings in relation to the Trust Fund or to any other matter concerning the trusts and powers set out in this Deed or their administration including (but without prejudice to the generality of the above) the power to fund litigation, to enforce any bond or other security provided to the CAA or the Trustees or the Air Travel Trust by any air travel organiser; and
- (17) power to charge beneficiaries an administration fee in relation to the making of payments to them hereunder and to set-off such administration fee from the relevant payment to a beneficiary.

11. **THE** statutory provisions about the appointment retirement and discharge of trustees shall apply to the trusts hereof subject to the following provisions of this clause 11:

- (1) upon a Trustee retiring from or otherwise vacating any office or employment of the CAA referred to in subsection (a) or (b) of the definition of Trustees and subject to the provisions of that clause the Trustee who until retirement or otherwise held the relevant Office of the CAA shall automatically cease to be a Trustee hereof and the CAA Chair and CAA CEO shall jointly appoint another Trustee provided that in the event of a delay in the appointment the remaining Trustees can act notwithstanding a vacancy in their number;
- (2) upon a Trustee being appointed pursuant to clause 11(1) above the remaining Trustees and the person who has ceased to be a Trustee shall take all steps as are necessary to vest the Trust Fund in the remaining Trustees and the new Trustee jointly subject to the terms hereof;
- (3) the Secretary of State may by deed appoint up to a maximum of 3 trustees in addition to the persons referred to in the definition of Trustees;
- (4) upon a person becoming a Trustee in accordance with the provisions hereof, the other Trustees shall have power to vest the Trust Fund in the new Trustee so that thereafter:
 - (a) the new Trustee shall have all the same powers and discretions as are hereby conferred on the Trustees in relation to the Trust Fund and the income thereof; and
 - (b) subject to paragraph (a) of this sub-clause all property held by such new Trustees and all property retained by the Trustees shall remain subject to the same trusts powers and provisions as if no new Trustees had been appointed;
- (5) a person shall immediately cease to be a Trustee in any of the following circumstances:
 - (a) such person is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due or insolvent;
 - (b) such person admits its inability to pay its debts as they fall due;
 - (c) such person suspends making payments on any of its debts or announces an intention to do so;
 - (d) such person commits an act of bankruptcy;
 - (e) by reason of actual or anticipated financial difficulties, such person begins negotiations with any creditor for the rescheduling or restructuring of any of its indebtedness;
 - (f) any of such person's indebtedness is subject to a moratorium;
 - (g) a certificate is issued for the summary administration of such person's estate;
 - (h) such person enters into any composition, scheme, individual voluntary arrangement or other arrangement with its creditors or has an interim order made in relation to him or her;
 - (i) a bankruptcy order is made or such person is otherwise adjudicated bankrupt (which includes any order made in relation to the Air Travel Trust under Part 64.2 of the Civil Procedure Rules);
 - (j) a receiver, receiver and manager, judicial manager, trustee in bankruptcy, nominee, supervisor, official manager or similar person is appointed in respect of it or any of its assets;
 - (k) any step is taken which could result in any of the events referred to in sub-paragraphs (g) to (l) above or a statutory demand is served on such person with respect to any of the matters referred to in sub-paragraphs (g) to (l) above which is not discharged within fourteen days; or
 - (l) any other analogous step or procedure is taken in any jurisdiction.

12. **ANY** act or decision by two or more of the Trustees shall have the same force and effect as if it were the act or decision of all of them, provided that:

- (a) all Trustees have been notified and not raised any objection; or
- (b) the act or decision is one in respect of which all the Trustees have agreed that at least two or more of them have the authority of the others to act.

13. **THE** Trustees may in the execution of any of the trusts of this Deed or in the exercise of any of the powers given to them by this Deed or by law sell property or lend money to or buy property or borrow money from or carry out any other transaction with the trustees of any other trust or the executors or administrators of any estate notwithstanding that the Trustees or any of them are or is the same person as those trustees, executors or administrators or any of them and where the Trustees are the same persons as those trustees, executors or

administrators the transaction shall be binding on all persons then or thereafter interested under this Deed though effected and evidenced only by an entry in the accounts of the Trustees.

- 14.** **IN** the professed execution of the trusts and powers hereof no Trustee shall be liable for any loss to the Trust Fund arising by reason of anything done or caused by them to be done in the exercise or purported exercise of the powers vested in them herein or by reason of the negligence or fraud of any agent employed by him or by any other Trustee hereof (although the employment of such agent was not strictly necessary or expedient) or by reason of any mistake or omission made in good faith by any Trustee hereof or by reason of any failure to comply with any duty of care applicable to him or by reason of any other matter or thing except wilful and individual fraud or wrongdoing on the part of the Trustee who is sought to be made liable.
- 15.** **NO** decision of or exercise of a power by the Trustees shall be invalidated or questioned on the ground that the Trustees or any of them had a direct or indirect interest in such decision or in the exercise of the power, including membership of, or employment by, the CAA.
- 16.** **WITHOUT** prejudice to all indemnities conferred upon the Trustees generally by law the Trust Fund will indemnify the Trustees and each of them and their respective personal representatives against all actions, claims, demands, costs and expenses arising or incurred by them as a result of anything done by them in the exercise or purported exercise of the powers vested in them herein.
- 17.** **THE** Trustees shall keep proper accounts and proper records in relation to accounts and shall prepare in respect of each period of account a statement of accounts in such form as the Secretary of State may direct and shall arrange for the accounts to be audited in such manner as the Secretary of State may direct and shall make to the Secretary of State within a period to be specified by him at the end of each period of account a report on the performance of their functions during that period and to include in that report a copy of the statement of accounts prepared in respect of that period in accordance with this clause 17 and any report made by the auditors on the statement or on the accounts. In this clause 17 "period of account" means the period beginning on the date hereof or, if later, the date on which the latest variation hereof was made and ending on the subsequent 31st March, and thereafter each subsequent period of twelve months beginning on 1st April and ending on the 31st March.
- 18.** **THE** trusts, powers and provisions of this Deed may at any time or times be varied or terminated by Deed during the Specified Period by the Secretary of State who may in his complete discretion direct the Trustees to dispose of the Trust Fund as he thinks fit.
- 19.** **THE** Secretary of State may, but shall not be obliged to, give the Trustees guidance on their exercise of their powers under this Deed and the Trustees shall have regard to that guidance, but shall not be obliged to follow it. The Trustees shall comply with any obligations they have agreed to in relation to government spending controls.

Appendix 2 – Details of ATOL Holder Failures April 2025 – March 2026

ATOL Holder Name	Date of Failure	Licenced Passengers	Security Provided	Number of Passengers Repatriated	Estimated Repatriation & Overseas Costs	Expected Number of Consumers to Refund	Estimated Cost of Refunds	Total Estimated Expenditure	Estimated Call on Air Travel Trust
			£		£		£	£	£
Ahmed Tours & Travels Ltd	03/04/2025	500	-	-	-	10	426,434	436,734	436,734
Great Little Escapes LLP	13/06/2025	500	-	-	-	204	89,642	133,560	133,560
Adventure Lifesigns Limited	06/08/2025	500	-	-	-	339	281,222	282,222	282,222
Travel Safe Services Ltd *	17/09/2025	1,000	-	-	-	-	-	-	-
Ickenham Travel Group Ltd	20/11/2025	1,193	576,280	-	38,767	662	723,406	770,727	194,447
Regal Routes Limited	01/12/2025	920	160,000	-	-	374	74,224	79,200	-
Regen Central Ltd	13/01/2026	500	-	-	-	-	-	-	-
Simply Florida Travel Ltd *	20/01/2026	1,000	-	-	-	-	-	-	-
Asiara UK Ltd *	21/01/2026	1,000	-	-	-	-	-	-	-
Total : 9			736,280	0	38,767	1,589	1,594,928	1,702,443	1,046,963

* The three above ATOL holders were members of ATOL franchises and responsibility for their consumers rests with the franchise, not the Trust.

The Appendices do not form part of the audited financial statements and the information within them is not audited.