Review of the 2021/22 ATT accounts:

In Points 5 and 6 of the Notes to the Financial Statements, the following expenses are detailed:

EXPENSE TYPE	GBP
AUDIT AND LEGAL EXPENSES	
Fees Paid to Trust's Auditors for Accounts	279,522
Fees Paid to Trust's Auditors for other services	42,000
Legal Expenses	49,911
Total	333,633
OTHER ADMINISTRATIVE EXPENSES	
Fulfillment charges from Accredited Bodies	1,634,622
Marketing and Promotion of the ATT	96,417
CAA Charges for adminstrative services	1,779,600
Contingency Planning expenses	113,667
Consumer Claims Portal costs	83,676
Other expenditure	109,337
Total	3,817,319
Grand Total	4,150,952

POINTS OF NOTE

i) The fulfillment charge incurred from “accredited bodies” seems to be a bit of a misnomer. It would appear that the fulfillment charge is the £1.25 rebate paid **to** the independent trustee bodies for accepting the risk and duty to administrate related to failure.

The accounts do not even reference the £1.75 rebate -only the £1.25 level of rebate charge (in a footnote). Unless you were aware that this mechanism was in operation, this line in the accounts would be very confusing.

ii) “CAA Charges for administrative services”.
The fact that the CAA are charging the ATT (for whatever “adminstrative services” it provides,) the huge year-on-year increases indicated below, needs futher exploration and questioning (given that it results in additional cost for the industry):

CAA Charges for Admin Services	Year
£1,779,600	2022
£891,562	2021
£960,119	2020
£745,617	2019
£640,596	2018
£573,720	2017
£491,188	2016

The ATT Trustees mention that the costs were generated “in respect of the operational management of the Trust’s affairs in collecting APC, arranging banking and insurance facilities, claims handling and day-today financial and secretariat services” but this does not explain the charge sufficiently, given its size or its very rapid increase.

iii) The other interesting point is the rapidly increasing audit and legal expenses charge. This charge has increased as follows:

Audit and Legal Expenses	Year
£333,633	2022
£170,013	2021
£145,736	2020
£107,339	2019
£69,356	2018
£51,073	2017
£56,520	2016

You might increase your audit and legal costs if you are struggling to get your accounts signed off and need to produce several iterrations to pass muster. Why have the costs increased from £56,520 in 2016 to £107,339 in 2019 to £170,013 in 2021 and last year to £333,633?

On the face of it these should be simple accounts with a number of £2.50 charges coming in. What has been created, is a somewhat farcical, ‘cottage industry’ with spiralling costs.

In Point 15 (of the same notes to the accounts), the following amounts are mentioned in the Provisions for Compensation Claims section:

PROVISION FOR COMPENSATION CLAIM EXPENSES	GBP
Provision as of 1 April 2021 for compensation claims	8,904,055
Provisions charged for New Failures: 1 April 2021 - 31 March 2022	2,436,920
Charges for Failures prior to 1 April 2021	2,519
Releases relating to Failures prior to 1 April 2021	-717,984
Payouts from ATT during 1 April 2021 - 31 March 2022	-5,845,516
Recovery of cash held by travel agents	380,565
TOTAL	5,160,559

POINTS OF NOTE

The charged provision for new failures within the accounting period of £2,436,920 is comprised of: £754,149 (Blue O2 Ltd – Plymouth based BSAC diving company), £434,736 (Melody Music Company Ltd – Cardiff based Music Touring agency) and £1,248,035 (multiple smaller failures: Bird Holidays Ltd, Pax Travel Ltd, News Travel Ltd, Sam Smith Travel Ltd, Uni-Travel Ltd etc).

FURTHER POINTS TO NOTE

-It is mentioned Page 8 of the ATT Accounts that “The largest ATOL holder failure in the year, Truly Travel Ltd, was a member of the Travel Trust Association and under the terms of their franchise arrangements is not the responsibility of the ATT”. However, if the Travel Trust Association, not the ATT is taking responsibility for the failure of one of its members, then why should a member of the Travel Trust Association pay into the ATT?

-The final costs and expenses listed in the accounts come from Bank adminstration fees and Overdraft / Loan Facility Fees. The accounts mention the increase in Bank fees and charges for the year from £276,555 in 2021 to £545,240 in 2022. It is harder to draw linear conclusions from why these fees will have increased.