

Air Travel Insolvency Protection Advisory Committee

Annual Report March 2005



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Air Travel Insolvency Protection Advisory Committee
CAA House
45-59 Kingsway
LONDON
WC2B 6TE

15 July 2005

Rt. Hon. Alistair Darling, MP
Secretary of State for Transport
Great Minster House
76 Marsham Street
London SW1P 4DR


Dear Mr Darling

I have great pleasure in submitting the fifth Report of the Air Travel Insolvency Protection Advisory Committee for the year ended 31 March 2005.

The Committee very much welcomes the inclusion of powers for the CAA to replenish the Air Travel Trust fund in the Civil Aviation Bill now before Parliament.

It also welcomes the current consideration of the future of financial protection of air travellers. It has been concerned for some time that the proportion of leisure air travel protected by the ATOL system has declined from 98% in 1997 to 66% last year. This is a result of changes in the airline business, notably the emergence of no-frills carriers and direct selling by tour operators' in-house airlines. Consumers are totally confused by the protection now offered, and many believe they are protected from the consequences of failure when they are not. Although much effort has been expended on consumer education, the level of awareness has remained virtually static.

We believe that an extension of the protection provided by the ATOL system provides advantages that a simple insurance scheme does not. An important component of ATOL protection is repatriation of passengers stranded abroad when failure occurs. This has worked well for 30 years, with the CAA assuming responsibility for the inbound travel of such passengers. Furthermore refund protection for advance payments gives consumers confidence that, whichever firm they book with, their money is not at risk, thus enabling easier market entry and the development of new small businesses. In the past year, 11,500 passengers have been repatriated, after completing their holidays, and 22,000 people have received compensation after the failure of their tour operator. Each such case is an individual success story. The system works, and should be extended to cover all UK-originating air travel, in order to enhance protection and eliminate confusion.



John Cox OBE
Chairman

ROLE AND MEMBERSHIP OF THE COMMITTEE

The Air Travel Insolvency Protection Advisory Committee was established by the Secretary of State for Transport, Local Government and the Regions in 2000 to provide advice to the Civil Aviation Authority, the Trustees of the Air Travel Trust and the Secretary of State for Transport on the financial protection arrangements for air travellers and customers of air travel organisers. Its terms of reference are at Appendix 2 of this report.

The Committee includes representatives from key trade associations affected by Air Travel Organiser Licensing (ATOL), consumer representatives, independent members and members appointed by the CAA.

In October 2004 Helen Simpson (representing the CAA) stood down to be replaced by her successor on the CAA Board, Richard Jackson. In the same month Roger Allard joined the Committee representing ABTA, as a replacement for John Harding.

A full list of members is included at Appendix 1.

The Committee held four meetings during the year.

MEMBERS OF ATIPAC

John Cox has been Chairman of the Committee since its formation in April 2000. He was also a past Chairman of the Air Transport Users' Council.



Richard Jackson is a representative of the CAA, where he is Group Director, Consumer Protection and a CAA Board Member. He is also a Trustee of the Air Travel Trust.

Bruce Treloar is Trading Standards Institute Lead Officer for the Holiday and Travel Industry. He represents consumer interests.



Tim Robinson is a Corporate and Commercial Affairs Consultant. He is an independent representative.

**MEMBERS OF ATIPAC –
CON'T**



Tina Tietjen is nominated by the Air Transport Users' Council, of which she is Chairman. She is also currently Chairman of the Women's Royal Voluntary Service and holds a number of other non-executive positions in both public and private sectors.

Roger Bray is an independent freelance travel journalist with a consumer focus, and is an independent representative.



Noel Josephides is Managing Director of Sunvil Holidays Limited. He represents the Association of Independent Tour Operators, of which he is a Council Member responsible for Industry Issues.

Andy Cooper is nominated by the Federation of Tour Operators, of which he is Director General.



Roger Harvey is the Chairman and appointed representative of the Incentive Travel and Meetings Association, the association for event management, corporate communication and incentive travel.

Roger Allard is a representative for ABTA, where he is on the Board of Directors. He also has interests in a wide range of travel businesses.



Lindsay Ingram is the General Manager of Newmont Travel Limited. He represents the Association of ATOL Companies.

Roger Mountford is a non-executive Board Member of the CAA, whom he represents on ATIPAC, and is also Chairman and a Trustee of the Air Travel Trust.



Mike Monk is Head of Financial Services for the Association of British Travel Agents. He represents ABTA.

Professor David Grant is Director of the Travel Law Centre, University of Northumbria and Editor of the Travel Law Journal. He has a wide knowledge of travel issues and also has a consumer perspective having served previously on the Air Transport Users' Council.



Review of the Year

THE TRAVEL INDUSTRY IN 2004

In the year to September 2004 the actual number of passengers taking flights and holidays under ATOL protection rose by 1.8%, following 2 successive years of decline. 28 million passengers took ATOL-protected flights in that year and spent about £13.5 billion in doing so.

The earlier declines in the coverage of ATOL were attributable partly to the need for the UK's four major tour operators to readjust capacity in the light of increasing incursions by no-frills carriers into the short haul leisure markets that are the core of the majors' business. One aspect of the majors' reaction was to sell more of their in-house airlines' seats directly to the public and outside the scope of ATOL, in the manner of no-frills carriers. That strategy has continued and in 2005 the majors plan to sell 3.3 million seats direct to the public, compared with 1.8 million in 2004.

The overall growth in ATOL protected sales in the latest year has occurred because growth in the middle ranking firms in the market has outstripped the continued reductions by the largest. The sector most

noticeable for growth was the electronic sales specialists: at the end of 2004 the 6th and 8th largest ATOL-holding groups and companies specialised in online sales. Longer-established ATOL holders have also adopted online sales, and many now sell greater volumes online than through call centres.

Despite the return to growth in ATOL volumes, in the nine months to September 2004 the percentage of leisure air travel protected by ATOL fell from 70% to 66%. This continues a medium term trend of decline, down from 98% in 1997. This fall is influenced both by the transfer of some existing ATOL business to unprotected sales as noted above, as well as continuing fast growth in dedicated no-frills carriers.

In 2004 as a whole, the number of air holidays taken increased by 5%¹. Within that total there was a general shift away from the Eurozone. Whereas holidays to European Union countries fell by 0.2%, holidays to North America increased by 16%, to non-EU Europe by 13%, and to the rest of the world by 4%.

MARKET OUTLOOK

The downturn in UK retail sales does not yet appear to have affected the demand for air travel. Most forecasters expect the UK economy and private consumption to continue growing and for there to be no material increase in unemployment, which will tend to support an increase in demand. Forecasts for the housing market vary between commentators, in that some see

a small growth in prices in 2005 while some forecast a material reduction; the latest data indicates a sharp reduction in the number of housing transactions but no material reduction in prices. If a reduction were to materialise then the consequent reduction in perceived wealth could depress the demand for holidays. On the supply side, oil prices remain at a high level

¹ Source: Transport, Travel and Tourism (MQ6) Office of National Statistics

which is impacting particularly on the costs of long haul air carriers.

The travel industry's expectations for the next financial year are mixed, although bookings are generally higher than at the same time last year. The trend in volumes continues to be away from Eurozone countries, including a general shift to longer haul destinations.

Nevertheless the prospects for volumes of ATOL protected sales

are less clear. At the end of 2004 the total amount of business projected by ATOL holders was about 1% less than at the same time the previous year, as continued rapid expansion by electronic sales specialists was more than offset by reductions by major tour operators. ATOL holders face continued strong competition, which on short haul will come from no-frills carriers and on long haul from increased direct sales by network carriers.

BONDS CALLED IN THE YEAR TO MARCH 2005

In the year ending 31 March 2005 fourteen ATOL-holding travel companies collapsed, which is neither exceptionally high nor low for recent years.

During September, the collapse of Golden Sun Holidays Ltd required the largest rescue and refund exercise for eight years. For the 10,500 people who were on holiday when it collapsed, ATOL organised the continuation of all holidays and provided flights home. Approximately 12,000 people had made advance bookings and roughly £4.5 million of advance payments will have been paid in compensation.

Apart from Golden Sun, ATOL also enabled over 1,000 customers to complete their holidays and return to the UK, and about 10,000 received a refund of advance payments. For the year, total expenditure on claims was £2.4 million of which £0.5 million was provided by the Air Travel Trust. The Trust was required for five failures as follows:

- Unitours Travel Ltd required expenditure of £180,000 in addition to a bond of £23,000.
- Euro Cities Ltd required expenditure of £72,000 in addition to a bond of £38,000.
- Peopleschoice Holidays Ltd required expenditure of £22,000 in addition to a bond of £20,000.
- APA Travel Service Ltd required expenditure of £20,000 in addition to a bond of £95,000.
- Ghana Travel Ltd required expenditure of £244,000 in addition to a bond of £321,000.

The CAA examines all cases where there is a call on the Air Travel Trust to assess whether the licence holder overtraded on its authorisation. Where overtrading can be proven action is always taken against those persons who provided guarantees against overtrading for the failed ATOL holder.

Full details of the failures can be found at Appendix 3.

STATE OF THE AIR TRAVEL TRUST FUND

Although it was announced after the period this report relates to the Committee welcomes the inclusion in the Queen's speech in May 2005 of plans to introduce legislation to replenish the Air Travel Trust Fund.

The Fund continues to be in deficit and has been since 1996. The deficit is funded by an

overdraft that is guaranteed by the Government. At March 2005 the deficit carried forward had increased to £10.6 million. In the financial year 2004/05 the fund had spent £0.5 million in respect of failures and £0.5 million for interest on the overdraft. It recovered £69 thousand in liquidation dividends and receipts.

FUTURE FINANCIAL PROTECTION FOR AIR TRAVELLERS AND HOLIDAYMAKERS

The trend for ATOL to cover a reducing percentage of UK leisure air travellers, noted by the Committee in its last two reports, has continued and this report's section "The Travel Industry in 2004" quantified the continuing decline. The Committee continues to believe that this is the single most important issue facing the UK's insolvency protection system and, if it is not resolved, is likely to lead to the erosion of ATOL as an effective scheme.

The Committee first considered the issue in 2002 and noted that the inroads into leisure air travel by no-frills carriers and the increased acceptance of the internet as a sales medium were leading more of the public to organise their holidays themselves, on the basis of a no-frills flight and separately-booked accommodation. In some cases, accommodation was bought via a website that was accessed directly from the no-frills carrier's site, and that had similar branding, which seemed likely to lead the public to conclude that they were buying a protected package.

ATOL holders noted that competition between themselves and the airlines was unbalanced because airlines did not have to bear the costs of providing financial protection. This would have mattered less if the public understood that in buying from an

airline they were running a risk, but preliminary CAA research noted that 51% of air travellers believed that seats on airlines were protected.

In July 2003 the CAA issued a public consultation that asked what the scope of the UK's mandatory protection regime should be, as well as what mechanisms should be used to fund it.

The consultation included the results of a more detailed survey² on the public's understanding of the scope and nature of the UK's mandatory air travel insolvency protection regime. The survey found that although the public regarded financial protection as important, they tended to assume that protection existed when in fact it did not. Moreover, they tended to assume that such protection came from travel insurance policies, whereas in reality only about 10% of travel insurance policies provide such comprehensive protection. The survey's results pointed clearly to a conclusion that the public did not understand the protection system and was not in a position to make an informed choice between buying protected and unprotected seats.

The survey attracted responses from consumer groups and tour operators, which were in favour of an expansion in the scope of protection to include all sales

² "Financial Protection for Air Holidays", NFO Transport and Tourism

made by scheduled airlines, whereas scheduled airlines were strongly opposed to that. There was some support from travel agency bodies for a wider increase, which would also include all UK-based sales of separate holiday components such as accommodation and car hire.

On the basis of these responses, the CAA published draft advice to the Government in March 2004 and (having considered further responses to the draft advice) it published final advice in July 2004. The final advice was that the scope of mandatory financial protection should be extended to cover all UK-originating air travel, whether sold by ATOL-holders or directly by airlines. Legislative change would be best made by European Union legislation but the UK would benefit from implementing protection in the interim.

In October 2004 the Government responded to the CAA's advice in the form of a press notice, issued jointly with the CAA, recognising that there was a problem and that CAA and DfT would now undertake detailed analysis of the options, in conjunction with an industry group, with the aim of producing a Regulatory Impact Assessment covering the costs and benefits of different options.

While this work has been under way major tour operators, who are represented on this Committee, have already made arrangements to sell an increasing proportion of their in-house airlines' seats outside the scope of ATOL so as to compete more effectively with scheduled airlines. If there seems no prospect that a legislative solution will be implemented in a reasonable period, they now have the systems in place to transfer more seats out of ATOL rapidly and trade representatives on the Committee have confirmed that this will take place. If this happens then the decline in the coverage of protected air travel will accelerate.

The Committee strongly endorses the CAA's advice to the Government, and welcomes the Government's recognition that there is a problem. The Committee believes it is right that legislative proposals with material cost implications should be thoroughly examined, and that the lengthy and detailed assessment currently under way is the correct course of action. It also advises that the decision should be taken, and a legislative slot found, as quickly as possible to forestall the risks not only of a major unprotected collapse but also of a major realignment by major tour operators to sell outside the scope of ATOL.

THE COLLAPSE OF GOLDEN SUN HOLIDAYS

As noted in the section "Bonds called in the year to March 2005", the failure of Golden Sun Holidays Ltd was the largest collapse for eight years. When it collapsed, on 23 September 2004, there were 10,500 people on holiday in Greece, Cyprus, Portugal and Croatia, whose air tickets became worthless and who were staying in hotels that had not been paid by Golden Sun for some time.

The CAA's failure management team negotiated with airlines and

hoteliers to ensure that as far as possible passengers were retained in their existing accommodation and then flown back to the UK in accordance with their original holiday plans. A telephone helpline and a website were available to assure both people in resort and their relatives in the UK that any problems were being dealt with. In the event, despite the situation in which those holidaymakers suddenly found themselves, there was no consequent hardship and no serious

complaints about how the situation was resolved. The necessary payments to hoteliers and airlines and the refunds exercise were paid for out of Golden Sun's bond.

The Committee raises this as an illustration of the benefit to UK holidaymakers of having a centrally organised failure management system. In the absence of that system the people in resort would have been faced with demands for payment by hoteliers, and a need to buy air tickets at short notice in circumstances where a significant amount of flying had

just been cancelled. Many would have encountered language difficulties, some would have had a shortage of ready liquidity, and most if not all would have been surprised to find themselves stranded in a foreign country with no assistance. The more that UK air travel is sold outside of the scope of mandatory insolvency protection, the more such failures will occur in circumstances where there is neither a system nor funds to resolve the issue.

LEGAL DEFINITION OF A PACKAGE

Following the amendment in 2003 of the ATOL Regulations, to bring them into alignment with the Package Travel Regulations, there has been considerable debate within the industry and with the CAA on how a package should be defined for regulatory purposes. Although most types of holiday sale can be unambiguously identified either as a package or not, there is a category of sale (that could be characterised as "tailor-made holidays") on which agreement has not been reached. The importance of the debate is that the definition used will determine whether sellers of tailor-made holidays will have to obtain ATOLs, and hence whether customers buying them will also benefit from the legal protection offered by the Package Travel Regulations (PTR) and the ATOL Regulations.

Tailor-made holidays are normally assembled by travel agents on the basis of their customers' requests, and the debate has focused on how much advice an agent has to give before the sale should be classified as a package. The Committee established a working group comprising the CAA, ABTA, AITO; the group also consulted the DTI who are responsible for PTR in the UK but even with DTI's input it has not proved possible to agree a position on all the issues. In March 2005, the CAA issued an ATOL Guidance note setting out its interpretation of the law on the definition of a package. ABTA has since applied to the High Court for a judicial review of that advice.

ARRANGEMENTS FOR LICENSING SMALL BUSINESSES

When the ATOL Regulations were revised in October 2003, the CAA announced that it intended to develop improved ways of licensing small businesses (authorised for 500 or fewer seats per annum). The two intended developments were the introduction of streamlined processes for licences assessed within the CAA, and agreements with third parties to find alternative ways of providing financial protection for smaller licence holders. Arrangements for small licences assessed by the CAA – referred to as Small Business ATOLs – were introduced in 2003/04 and in the current year two third party arrangements have been implemented.

In June 2004 the CAA reached agreement with the Travel Trust Association (TTA) under which the CAA would grant ATOLs on the basis of the protection

arrangements managed by the TTA. TTA's protection arrangements, based on a combination of trust accounts and a special purpose insurance policy, are expected to provide comprehensive cover to air travellers for those of TTA's members who hold ATOLs.

In December 2004 the CAA reached agreement with Barclays Bank under which the CAA would grant ATOLs on the basis that Barclays would take full responsibility for the cost of refunds and repatriation for those of its merchants (companies to whom Barclays had provided credit card facilities) notified to the CAA, if that merchant collapsed.

Of the 2,299 ATOLs in force at present, 954 are granted on the basis of streamlined or third party arrangements.

INSOLVENCY PROTECTION PROVIDED BY CREDIT CARD COMPANIES

For some years now the Committee has been aware of concern expressed by tour operators as to the level of financial security required by credit card companies as a condition of making facilities available, which they believe to be unjustified.

The issue arises because under Section 75 of the Consumer Credit Act, companies that issue credit cards to the public are required under certain circumstances to provide refunds to customers that do not receive goods they have paid for and, under credit card scheme rules, those card issuers are able to reclaim any such payments from merchant acquirers – the companies that issue credit card acceptance facilities to companies. Merchant acquirers sometimes take security from companies to whom they have issued facilities, in order to protect their positions if the company collapses.

Where a merchant is also an ATOL holder, the CAA might also arrange for refunds to be made. There is an agreement – the Credit Card Charter – that sets out when the credit card companies should pay and when the CAA should arrange for payment, but that agreement (which was signed in 1985) became increasingly unsatisfactory as a result of legal changes and because it covered a diminishing proportion of card companies. The CAA spent several years attempting to renegotiate the charter and, with this Committee's endorsement, adopted a negotiating position that the new charter should include provisions limiting the extent of security that could be taken. Agreement was not reached.

However, in July 2004 the CAA announced an agreement with Barclaycard Merchant Services (BMS) for better co-operation in refunding credit card customers of failed ATOL firms, and for

reducing security requirements for ATOL holders. This effectively replaced the existing Credit Card Charter for all of Barclays's merchants, although the original charter remains in force for other card issuers.

The Committee welcomes this agreement, while intending to monitor the extent to which reductions in security are actually achieved.

CONCLUSION

During the year the UK system to provide insolvency protection against the collapse of travel organisers has undergone a number of useful improvements, including the introduction of cheaper ways for small businesses to enter this market, and a rationalised relationship between the protection managed by the CAA and that provided by a major credit card company. Some major issues – the interpretation of the legal definition of a package and the deficit in the Air Travel Trust Fund – are still being resolved.

Important though these issues are, the Committee's advice is that the biggest issue is the need to modernise the UK's insolvency protection system by extending mandatory protection so that it covers all UK originating flights and packages. Without such a change, there is a material danger that existing participants in the system will rearrange their businesses so as to be able to make a far greater proportion of their sales outside of ATOL, leading to an effective collapse of the system.

Appendices

Appendix 1 Members of the Committee

Mr John Cox OBE		Chairman
Mr Michael Monk	}	Association of British Travel Agents Limited
Mr Roger Allard	}	
Mr Andy Cooper		FTO Trust Fund Limited
Mr Noel Josephides		Association of Independent Tour Operators
Mr Lindsay Ingram		Association of ATOL Companies
Mr Roger Harvey		Incentive Travel and Meetings Association
Ms Tina Tietjen		Air Transport Users' Council
Mr Roger Bray	}	Independent representatives
Mr Tim Robinson	}	
Mr Bruce Treloar	}	Consumer representatives
Professor David Grant	}	
Mr Roger Mountford	}	Civil Aviation Authority
Mr Richard Jackson	}	

Secretariat

Mr David Bourne	Secretary
Miss Sandra Springett	Assistant Secretary

Members are normally appointed to serve on the Committee for three years. The terms of the current Committee members last until between April 2006 and October 2007.

Appendix 2 The Air Travel Insolvency Protection Advisory Committee's Terms of Reference

ESTABLISHMENT AND ROLE OF THE COMMITTEE

- 1 The Air Travel Insolvency Protection Advisory Committee ("the Committee") is established by the Secretary of State for the Environment, Transport and the Regions to advise on the financial protection arrangements for air travellers and customers of air travel organisers.

COMPOSITION OF THE COMMITTEE

- 2 Members of the Committee shall be drawn from:

Association of British Travel Agents	Two Members
Federation of Tour Operators	One Member
Association of Independent Tour Operators	One Member
Association of Airline Consolidators	One Member
Incentive Travel and Meetings Association	One Member
Air Transport Users' Council	One Member
Other representatives of consumer interests	One or two Members
Independent representatives not associated with any organisation represented on the Committee	Three or four Members, one of whom is Chairman
Civil Aviation Authority	Two Members

APPOINTMENTS TO THE COMMITTEE

- 3 Members shall be appointed by the Chairman of the Civil Aviation Authority, for periods specified at the time of appointment; they may resign at any time. The CAA Chairman will consult the Chairman of the Committee before appointing Members other than from trade associations and the CAA.
- 4 Each represented body may nominate to the CAA up to two alternates, who may attend any meeting in the absence of that body's appointed Member(s).

MEETINGS OF THE COMMITTEE

- 5 The Committee shall determine its own procedures for and frequency of meetings, including any requirement for a quorum.

DUTIES OF COMMITTEE

- 6 The Committee shall keep under review and from time to time advise the Civil Aviation Authority, the Trustees of the Air Travel Trust and the Secretary of State for the Environment, Transport and the Regions on the arrangements for the financial protection of air travellers and customers of air travel organisers.
- 7 In particular it shall:
 - advise on bonding arrangements and bond levels;
 - advise the CAA and the Trustees on the use of their discretion when making payments from bonds and from the Trust;
 - advise on agreements between the Trustees, the CAA and third parties such as credit card companies;
 - advise the Secretary of State on the need for a reimposition of a levy on the holders of Air Travel Organisers' Licences in order to replenish the Trust Fund, and advise the CAA and the Secretary of State (as appropriate) on the implementation of such a levy;
 - advise the CAA and the Secretary of State as appropriate on any changes to the structure of protection that it concludes are necessary or desirable.
- 8 The Committee shall submit to the Secretary of State an Annual Report on its activities in each year ended 31 March within four months of the end of that year. The Committee shall draw to the Secretary of State's attention at any time matters of concern on which, in its view, action is necessary.

ADMINISTRATIVE ARRANGEMENTS

- 9 Reasonable out of pocket expenses directly incurred by Members of the Committee in attending meetings shall be reimbursed by the Civil Aviation Authority.
- 10 The Civil Aviation Authority shall provide administrative support to the Committee.

**the Department of the Environment, Transport and the Regions
April 2000**

Appendix 3 Details of Bond Calls and their effects, April 2004 to March 2005

<i>Licence Holder</i>	<i>Date Bond Called</i>	<i>Licensed Passengers</i>	<i>Licensed Revenue</i>	<i>Bond Amount</i>	<i>Number Repatriated</i>	<i>Cost of Repatriation</i>	<i>Number Refunded</i>	<i>Cost of Refunds</i>	<i>Total Expenditure</i>	<i>Call on Air Travel Trust</i>
			£'000	£'000		£'000		£'000	£'000	£'000
Wazobia Travel Ltd	07 Apr 04	425	161	25	0	0	2	2	2	0
Orama Travel Ltd	16 Jun 04	2,955	1,195	179	0	0	350	143	143	0
Corporate Travel International Ltd	24 Jun 04	1,935	1,260	1,903	0	0	338	302	302	0
Cyberes Systems Ltd	24 Jun 04	35,672	13,379	(Joint bond)						
Wentworth Travel Ltd	04 Aug 04	414	447	79	13	11	40	60	71	0
Fly Elite Ltd	19 Aug 04	10,093	2,780	360	271	27	1,023	300	327	0
Travelscene Ltd	20 Aug 04	15,004	5,333	809	300	20	1,500	521	541	0
Unitours Travel Ltd	23 Sep 04	269	70	23	0	0	591	203	203	180
Concept Express Ltd	23 Sep 04	2,500	740	120	45	25	85	34	59	0
Golden Sun Holidays Ltd	23 Sep 04	186,500	61,621	9,799	10,500	3,200	12,000	4,500	7,700	0
Airlobe Holidays Ltd	23 Sep 04	30,500	11,175	(Joint bond)						
Euro Cities Ltd	25 Oct 04	1,120	168	38	0	0	350	110	110	72
Peopleschoice Holidays Ltd	16 Nov 04	160	80	20	4	1	100	41	42	22
APA Travel Service Ltd	01 Mar 05	2,560	820	95	1	1	620	114	115	20
Pandora World Travel Ltd	17 Mar 05	6,838	1,997	200	0	0	510	114	114	0
Ghana Travel Ltd	23 Mar 05	2,180	1,249	321	500	125	4,460	441	566	244
Total	14	299,125	95,953	11,261	11,634	3,409	21,969	6,885	10,294	538

NOTES

- 1 The administration of the cases above may not have been completed. Administration costs which were incurred in paying passengers' refunds have been included in the Cost of Refunds.
- 2 The figures for total expenditure and any call on the Air Travel Trust include amounts already spent plus estimated further expenditure.
- 3 Where a call on the Air Travel Trust is indicated, this is the difference between expected total expenditure and available bond monies. The call on the Air Travel Trust may include the expenditure of accrued interest.
- 4 The above totals may not agree to the sum of the figures shown in the table due to rounding differences.

Appendix 4 Historical Movement of Reserve Fund Against ATOL Turnover

Year ended 31 March	Turnover £'m	Passengers '000	Bonds Called During Year	Calls on Reserve Fund During Year £'m	Total Fund at Year End £'m	Calls as % of Turnover	Calls as % of Fund at Start of Year	Fund as % of Licensed Turnover
1979	574	4,173	2	0.08	14.78	0.01		2.57
1980	813	5,304	2	0.02	16.10	0.00	0.14	1.98
1981	1,200	6,165	2	0.00	18.05	0.00	0.00	1.50
1982	1,488	6,662	9	3.02	15.64	0.20	16.73	1.05
1983	1,595	7,067	11	3.10	16.61	0.19	19.82	1.04
1984	1,893	7,938	9	0.58	19.44	0.03	3.49	1.03
1985	2,004	8,623	20	1.91	19.52	0.10	9.83	0.97
1986	2,123	8,662	18	1.36	22.10	0.06	6.97	1.04
1987	2,406	9,849	8	2.20	22.75	0.09	9.95	0.95
1988	3,118	12,598	16	1.23	23.18	0.04	5.40	0.74
1989	3,629	14,490	9	0.28	23.44	0.01	1.21	0.65
1990	3,704	13,982	21	0.40	23.71	0.01	1.70	0.64
1991	3,807	13,083	22	11.61	26.70	0.30	48.95	0.70
1992	3,253	10,110	16	0.73	5.01	0.02	2.75	0.15
1993	4,436	13,575	24	6.66	9.84	0.15	132.83	0.22
1994	5,180	14,528	20	1.58	8.82	0.03	16.07	0.17
1995	5,966	16,678	23	3.51	5.65	0.06	39.77	0.09
1996	6,874	18,812	31	4.10	1.87	0.06	72.65	0.03
1997	8,318	22,176	26	7.60	(5.26)	0.09	405.69	(0.06)
1998	9,426	25,673	21	0.36	(5.30)	0.00	(6.76)	(0.06)
1999	11,211	26,284	20	2.00	(7.39)	0.02	(37.73)	(0.07)
2000	11,982	27,824	17	0.31	(8.03)	0.00	(4.20)	(0.07)
2001	13,155	29,675	12	0.25	(8.96)	0.00	(3.15)	(0.07)
2002	13,881	30,723	23	0.40	(8.30)	0.00	(4.44)	(0.06)
2003	14,766	32,157	9	0.45	(9.09)	0.00	(5.43)	(0.06)
2004	14,750	30,464	18	0.29	(9.66)	0.00	(3.13)	(0.06)
2005	14,870	30,661	14	0.54	(10.65)	0.00	(5.57)	(0.07)
2006	15,340	30,447						

NOTES

- 1 Turnover and Passenger figures represent the total value and number of holidays/flights authorised by all Air Travel Organisers' Licences in force at the start of the year. The figures exclude all trade sales between ATOL holders.
- 2 Calls on the Reserve Fund are retrospectively adjusted figures indicating the cost of failures occurring during each year. The figure for the Total Fund at year end is taken from the Air Travel Trust accounts and thus incorporates provisions based on estimates at the time of audit; figures are not adjusted retrospectively to show actual expenditure.
- 3 Calls as % of licensed turnover uses the base of turnover in the same year as the calls. Fund as % of licensed turnover applies the Fund at each year end to the turnover licensed for the next year.
- 4 The Fund was originally managed by The Air Travel Reserve Fund Agency. Since 1986 it has been managed by the Air Travel Trust.