

Travellers' Protection Fund, Travel Agents' and Tour Operators' Bond Accounts for the year ended 31st December 2012

Issue date : 12th December 2013

Contents

Travellers' Protection Fund	Page(s)
Statement of Commission's Responsibilities	2
Report of the Comptroller and Auditor General	3
Statement of Accounting Policies	4
Income and Expenditure Account	5
Balance Sheet	6
Notes to the Travellers' Protection Fund	7
Toolin Travel Limited- Bond 1	8
Toolin Travel Limited- Bond 2	9
Portlaoise Travel Limited-Bond 1	10
Portlaoise Travel Limited-Bond 2	11
The Travel Collection	12
Turing Limited t/a Slattery's Travel	13
Budget Travel	14
Foreign A Fares	15
Solar Travel	16

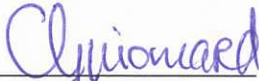
Travellers' Protection Fund, Travel Agents' and Tour Operators' Bond Accounts

Statement of Commission's Responsibilities

Section 13(5) and 17(3) of the Transport (Tour Operators and Travel Agents) Act, 1982 requires the Commission to prepare financial statements and to submit them for audit to the Comptroller and Auditor General. In preparing these financial statements, the Commission is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis, unless that basis is inappropriate
- disclose and explain any material departures from applicable accounting standards

The Commission is responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Fund and Bond Accounts and which enable it to ensure that the financial statements comply with the provisions of the Act. The Commission is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Cathal Guimard
Commissioner for Aviation Regulation
12th December 2013



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Travellers' Protection Fund and Travel Agents' and Tour Operators' Bond Accounts

I have audited the financial statements of the Travellers' Protection Fund and Travel Agents' and Tour Operators' Bond Accounts for the year ended 31 December 2012 under the Transport (Tour Operators and Travel Agents) Act 1982. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the balance sheet, the related notes and the Bond accounts. The financial reporting framework that has been applied in their preparation is section 17 of the Act and generally accepted accounting practice in Ireland.

Responsibilities of the Commission for Aviation Regulation

The Commission for Aviation Regulation is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the transactions on the Fund and Bond Accounts and the state of affairs, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of Audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate, and have been consistently applied and adequately disclosed,

- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the transactions on the Fund and Bond Accounts for the year ending 31 December 2012 and the state of affairs at that date.

In my opinion, proper books of account have been kept by the Commission. The financial statements are in agreement with the books of account.

Matters on which I Report by Exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where moneys have not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Patricia Sheehan
For and on behalf of the
Comptroller and Auditor General

20 December 2013

Statement of Accounting Policies

1. General

The Transport (Tour Operators and Travel Agents) Act, 1982 made provision for the protection of persons who enter into overseas travel contracts with tour operators or travel agents by providing for:

- (a) The licensing of tour operators and travel agents;
- (b) The requirement that each such firm prior to the granting of a licence has furnished evidence to the Commission for Aviation Regulation that it has entered into an acceptable arrangement for the protection of its customers engaged in overseas travel (this arrangement is known as the "Bond") and;
- (c) The establishment of a Travellers' Protection Fund to meet any shortfall where the Bond is inadequate.

Under the provisions of the Aviation Regulation Act 2001, the administration of the Fund is the responsibility of the Commission for Aviation Regulation.

2. Bond Accounts

Each bond provides that in the event of default by the tour operator or travel agent in respect of overseas travel contracts, a sum of money will become available to the Commission for Aviation Regulation to be applied for the benefit of any of its customers who have incurred loss or liability because of such default. The bonding requirements can be satisfied by an insurance bond or by depositing a cash sum with the Commission for Aviation Regulation.

A separate account is maintained by the Commission of all moneys received by it on foot of each bond and of all disbursements made by it from such monies. These accounts are shown on pages 8 to 16.

Administration costs are charged to the bond accounts as incurred. Claims are charged in the year in which the event giving rise to the claim occurred.

Funds received from each bond are drawn down or shown as due from the bondholder in the year in which the expenditure met from the bond is incurred.

3. Travellers' Protection Fund

The Travellers' Protection Fund, financed by contributions from tour operators, is used to make good losses or liabilities sustained by customers of licensed tour operators or travel agents to the extent that the bonds are inadequate to meet such losses or liabilities. Amounts charged to the Fund are shown as Collapse Claims and Admin Costs in the Income and Expenditure Account. Contributions from tour operators on foot of regulations made under the Act were suspended with effect from April 1987, due to adequate cash reserves being available.

4. Liquidation of failed firms

Where there is a failure of a travel agent or tour operator and such firm is put into liquidation, a claim is lodged with the liquidator for the recovery of any amounts which fall due to be met from the Travellers' Protection Fund. Receipts on foot of such claims are brought to account as they arise.

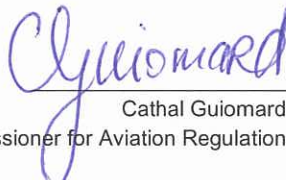
Travellers' Protection Fund

INCOME AND EXPENDITURE ACCOUNT FOR YEAR ENDED 31 DECEMBER 2012

	2012	2012	2011	2011
	€	€	€	€
<u>INCOME</u>				
Interest	Note 1	11,693		46,154
Other income		-		2,357
<u>EXPENDITURE</u>				
Collapse claims & administration costs	-		77,364	
General administrative costs	2,052		1,048	
Accountancy & professional fees	455		1,834	
Audit fee	4,260		7,417	
		6,767		87,663
SURPLUS/(DEFICIT) FOR YEAR		4,926		(39,152)
BALANCE AT 1 JANUARY		5,044,906		5,084,058
BALANCE AT 31 DECEMBER		<u>5,049,832</u>		<u>5,044,906</u>

The Statement of Accounting Policies and Notes 1 to 5 form part of these accounts

Date
12th December 2013


Cathal Guiomard
Commissioner for Aviation Regulation

Travellers' Protection Fund

BALANCE SHEET AS AT 31 DECEMBER 2012

		2012	2012	2011	2011
		€	€	€	€
Investment account	<i>Note 1</i>		5,028,768		5,008,749
CURRENT ASSETS					
Interest accrued		1,032		10,117	
Amounts due from Bondholders	<i>Note 2</i>	3,000		3,000	
Bank		117,286		121,405	
		<u>121,318</u>		<u>134,522</u>	
CURRENT LIABILITIES					
Provision for Amounts due to Bondholders	<i>Note 3</i>	(88,402)		(88,402)	
Specific provision for claims outstanding		-		-	
Accruals	<i>Note 4</i>	(11,852)		(9,963)	
		<u>(100,254)</u>		<u>(98,365)</u>	
Net current assets/(liabilities)			21,064		36,157
NET ASSETS			<u><u>5,049,832</u></u>		<u><u>5,044,906</u></u>
REPRESENTED BY					
Income and Expenditure Account balance at 1 January			5,044,906		5,084,058
Surplus/(Deficit) for year			4,926		(39,152)
			<u><u>5,049,832</u></u>		<u><u>5,044,906</u></u>

The Statement of Accounting Policies and Notes 1 to 5 form part of these accounts

Date
12th December 2013


Cathal Guimard
Commissioner for Aviation Regulation

- ¹ Any money not required to meet current expenditure is transferred to an investment account which is managed and controlled by the Minister for Finance. Interest generated by the Fund is credited to income.

2 Amounts due from Bondholders	Page	2012
		€
Budget Travel Ltd	14	3,000
		<u>3,000</u>

3 Amounts due to Bondholders	Page	2012
		€
Toolin Travel-Bond 2	9	88,402
		<u>88,402</u>

4 TPF & Bond Accruals

	Total 2012	Charged to the Bond 2012	Charged to the Fund 2012
Administration Costs			
General	1,260	-	1,260
Total Administration Costs	<u>1,260</u>	<u>-</u>	<u>1,260</u>
Accountancy & Professional Fees	457	-	457
Audit Fee	10,135	-	10,135
Legal Fees	-	-	-
	<u>11,852</u>	<u>-</u>	<u>11,852</u>

5 Bonds

Apart from the normal method of bonding through insurance companies under the Bonding Regulations (S.I. 102 of 1983), the requirement for a bond may be satisfied by a number of other methods among which are:

- (a) A cash sum deposited with the Commission for Aviation Regulation;
- (b) A sum of money deposited in a bank or financial institution in the sole name of the Commission for Aviation Regulation.

At 31 December 2012, in addition to the monies accounted for in the preceding accounts, monies deposited with the Commission for Aviation Regulation in accordance with (a) and (b) above amounted to €13,127,452.

Toolin Travel Limited-Bond 1

Travel Agent Bond €490,000

Income and Expenditure Account for year ended 31 December 2012

	Note	2012 €	2011 €
Income			
Income from Bond		-	-
Expenditure			
Claims		-	-
Administrative costs		-	-
Met by TPF		-	-
SURPLUS/(DEFICIT)		-	-
SURPLUS/(DEFICIT) FROM PREVIOUS YEARS		-	-
TOTAL SURPLUS/(DEFICIT)		-	-

Balance Sheet at 31 December 2012**Current Assets**

Due from Bondholder - -

Current Liabilities

Outstanding Claims

Accruals - Outstanding Administrative costs - -

Due to TPF - -

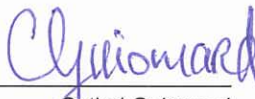
NET ASSETS/(LIABILITIES)

The Statement of Accounting Policies and Notes 1 to 5 form part of these accounts

Note

The total value of the bond is €490,000. We are attempting to call €393,482, which represents the total cost of the collapse, but this is being disputed by the bondholder. This amount has not been included in the TPF accounts at this stage. All costs of the collapse have been met by the TPF in the interim.

Date
12th December 2013


Cathal Guiomard
Commissioner for Aviation Regulation

Toolin Travel Limited-Bond 2

Travel Agent Bond €250,000

Income and Expenditure Account for year ended 31 December 2012

	Note	2012 €	2011 €
Income			
Income from Bond		-	(88,402)
Expenditure			
Claims		-	88,402
Administrative costs		-	-
Met by TPF		-	-
SURPLUS/(DEFICIT)		-	-
SURPLUS/(DEFICIT) FROM PREVIOUS YEARS		-	-
TOTAL SURPLUS/(DEFICIT)		-	-

Balance Sheet at 31 December 2012

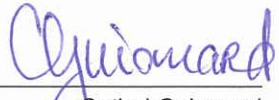
Current Assets			
Cash in Bank	3	88,402	88,402
Current Liabilities			
Outstanding Claims		-	-
Accruals - Outstanding Administrative costs		-	-
Due to Bondholder	3	88,402	88,402
NET ASSETS/(LIABILITIES)		-	-

The Statement of Accounting Policies and Notes 1 to 5 form part of these accounts

Note

The total value of the bond is €250,000 of which €250,000 has been called. The total cost of the collapse was €161,598. There were sufficient funds within the bond to meet all liabilities without recourse to the Travellers' Protection Fund.

Date
12th December 2013


Cathal Guiomard
Commissioner for Aviation Regulation

Portlaoise Travel Limited- Bond 1

Travel Agent Bond

€440,000

Income and Expenditure Account for year ended 31 December 2012

	Note	2012 €	2011 €
Income			
Income from Bond		-	-
Expenditure			
Claims		-	(70)
Administrative costs		-	-
Met by TPF		-	70
SURPLUS/(DEFICIT)		-	-
SURPLUS/(DEFICIT) FROM PREVIOUS YEARS		-	-
TOTAL SURPLUS/(DEFICIT)		-	-

Balance Sheet at 31 December 2012**Current Assets**

Due from Bondholder

- -

Current Liabilities

Outstanding Claims

- -

Accruals - Outstanding Administrative costs

- -

Due to TPF

- -

NET ASSETS/(LIABILITIES)

- -

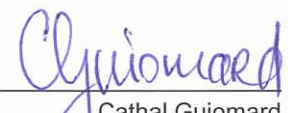
The Statement of Accounting Policies and Notes 1 to 5 form part of these accounts

Note

The total value of the bond is €440,000. We are attempting to call €199,664, which represents the total cost of the collapse, but this is being disputed by the bondholder. This amount has not been included in the TPF accounts at this stage. All costs of the collapse have been met by the TPF in the interim.

Date

12th December 2013


Cathal Guiomard
Commissioner for Aviation Regulation

Portlaoise Travel Limited- Bond 2**Travel Agent Bond** €196,000**Income and Expenditure Account for year ended 31 December 2012**

	Note	2012 €	2011 €
Income			
Income from Bond		-	-
Expenditure			
Claims		-	(60)
Administrative costs		-	-
Met by TPF		-	60
SURPLUS/(DEFICIT)		-	-
SURPLUS/(DEFICIT) FROM PREVIOUS YEARS		-	-
TOTAL SURPLUS/(DEFICIT)		-	-

Balance Sheet at 31 December 2012

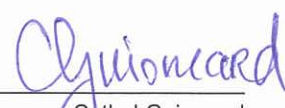
Current Assets		
Cash in Bank	-	-
Current Liabilities		
Outstanding Claims	-	-
Accruals - Outstanding Administrative costs	-	-
Due to TPF	-	-
NET ASSETS/(LIABILITIES)	-	-

The Statement of Accounting Policies and Notes 1 to 5 form part of these accounts

Note

The total value of the bond is €196,000 of which €196,000 has been called. The total cost of the collapse was €268,007. There were insufficient funds within the bond to meet all liabilities without recourse to the Travellers' Protection Fund.

Date
12th December 2013


Cathal Guimard
Commissioner for Aviation Regulation

The Travel Collection t/a Caribbean Collection

Travel Agent Bond €103,240

Income and Expenditure Account for year ended 31 December 2012

	Note	2012 €	2011 €
Income			
Income from Bond		-	-
Expenditure			
Claims		-	(5,100)
Administrative costs		-	-
Met by TPF		-	5,100
SURPLUS/(DEFICIT)		-	-
SURPLUS/(DEFICIT) FROM PREVIOUS YEARS		-	-
TOTAL SURPLUS/(DEFICIT)		-	-

Balance Sheet at 31 December 2012

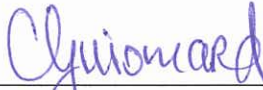
Current Assets		
Cash in Bank	-	-
Current Liabilities		
Outstanding Claims	-	-
Accruals - Outstanding Administrative costs	-	-
Due to Bondholder	-	-
NET ASSETS/(LIABILITIES)	-	-

The Statement of Accounting Policies and Notes 1 to 5 form part of these accounts

Note

The total value of the bond is €103,240 of which €103,240 has been called. The total cost of the collapse was €193,067. There were insufficient funds within the bond to meet all liabilities without recourse to the Travellers' Protection Fund.

Date
12th December 2013


Cathal Guionard
Commissioner for Aviation Regulation

Turing Limited t/a Slattery's Travel

Tour Operator / Travel Agent Bond €840,000

Income and Expenditure Account for year ended 31 December 2012

	Note	2012 €	2011 €
Income			
Income from Bond		-	-
Expenditure			
Claims		-	(6,024)
Administrative costs		-	150
Met by TPF		-	5,874
SURPLUS/(DEFICIT)		-	-
SURPLUS/(DEFICIT) FROM PREVIOUS YEARS		-	-
TOTAL SURPLUS/(DEFICIT)		-	-

Balance Sheet at 31 December 2012**Current Assets**

Cash in Bank	-	150
--------------	---	-----

Current Liabilities

Outstanding Claims	-	-
Accruals - Outstanding Administrative costs	-	150
Due to Bondholder	-	-

NET ASSETS/(LIABILITIES)

-	-
---	---

The Statement of Accounting Policies and Notes 1 to 5 form part of these accounts

Note

The total value of the bond is €840,000 of which €840,000 has been called. The total cost of the collapse was €1,351,247. There were insufficient funds within the bond to meet all liabilities without recourse to the Travellers' Protection Fund.

Date
12th December 2013


Cathal Guiomard
Commissioner for Aviation Regulation

Budget Travel

Tour Operator / Travel Agent Bond €11,509,266

Income and Expenditure Account for year ended 31 December 2012

	Note	2012 €	2011 €
Income			
Income from Bond		-	-
Expenditure			
Claims		-	-
Administrative costs		-	-
Met by TPF		-	-
SURPLUS/(DEFICIT)		-	-
SURPLUS/(DEFICIT) FROM PREVIOUS YEARS		-	-
TOTAL SURPLUS/(DEFICIT)		-	-

Balance Sheet at 31 December 2012

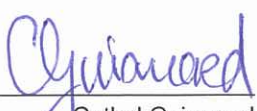
Current Assets			
Amount due from bondholder	2	3,000	3,000
Current Liabilities			
Outstanding Claims		-	-
Accruals - Outstanding Administrative costs		-	-
Due to Fund	2	3,000	3,000
NET ASSETS/(LIABILITIES)		-	-

The Statement of Accounting Policies and Notes 1 to 5 form part of these accounts

Note

The total value of the bond is €11,509,266 of which €3,708,298 has been called. There were sufficient funds within the bond to meet all liabilities without recourse to the Travellers' Protection Fund. The balance of the bond, in the amount of €7,800,968, has been refunded to the Liquidator.

Date
12th December 2013


Cathal Guimard
Commissioner for Aviation Regulation

Foreign A Fares

Travel Agent Bond €59,080

Income and Expenditure Account for year ended 31 December 2012

	Note	2012 €	2011 €
Income			
Income from Bond			
Expenditure			
Claims		-	(70)
Administrative costs		-	136
Met by TPF		-	(66)
SURPLUS/(DEFICIT)		-	-
SURPLUS/(DEFICIT) FROM PREVIOUS YEARS		-	-
TOTAL SURPLUS/(DEFICIT)		-	-

Balance Sheet at 31 December 2012

Current Assets

Cash in Bank - -

Current Liabilities

Outstanding Claims - -
Accruals - Outstanding Administrative costs - -
Due to Bondholder - -

NET ASSETS/(LIABILITIES)

- -

The Statement of Accounting Policies and Notes 1 to 5 form part of these accounts

Note

The total value of the bond is €59,080 of which €59,080 has been called. The total cost of the collapse was €169,962. There were insufficient funds within the bond to meet all liabilities without recourse to the Travellers' Protection Fund.

Date
12th December 2013


Cathal Guimard
Commissioner for Aviation Regulation

Solar Travel

Travel Agent Bond

€71,128

Income and Expenditure Account for year ended 31 December 2012

	Note	2012 €	2011 €
Income			
Income from Bond		-	-
Expenditure			
Claims		-	-
Administrative costs		-	2,053
Due from Bondholder		-	(2,053)
SURPLUS/(DEFICIT)		-	(2,053)
SURPLUS/(DEFICIT) FROM PREVIOUS YEARS		-	(43,364)
DEFICIT RECEIVED FROM BONDHOLDER IN YEAR			45,417
TOTAL SURPLUS/(DEFICIT)		-	-

Balance Sheet at 31 December 2012**Current Assets**

Cash in Bank	-	843
--------------	---	-----

Current Liabilities

Outstanding Claims	-	-
Accruals - Outstanding Administrative costs	-	843
Due to Bondholder	-	-

NET ASSETS/(LIABILITIES)

-	-
---	---

The Statement of Accounting Policies and Notes 1 to 5 form part of these accounts

Note

The total value of the bond is €71,128 of which €45,417 has been called. There were sufficient funds within the bond to meet all liabilities without recourse to the Travellers' Protection Fund. The balance of the bond, in the amount of €25,711, has been refunded to the bondholder.

Date
12th December 2013


Cathal Guiomard
Commissioner for Aviation Regulation