

TUI Travel Overseas Holdings Limited
Reports of the Directors and financial statements
for the year ended 30 September 2016
Company number 4998708

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The Directors present their Strategic and Directors' Reports on and the audited financial statements of TUI Travel Overseas Holdings Limited (the "Company") for the year ended 30 September 2016.

STRATEGIC REPORT

The Company's principal activity during the year continued to be that of an intermediate holding company within the TUI AG group of companies (the "Group").

Review of the business

The Company's direct and indirect trading subsidiaries operate across all sectors of the Group and mainly comprise tour operator and destination services businesses, and their intermediate holding companies. A full list of all subsidiaries and joint ventures is provided in Notes 14, 15 and 16 of these financial statements.

To effectively measure the development, performance and position of the Company, the following Key Performance Indicators (KPIs) are of most relevance.

	Year ended 30 September 2016	Year ended 30 September 2015
	£	£
Profit/(loss) on ordinary activities before taxation	33,546,797	(93,802,088)
Net current liabilities	(100,093,149)	(59,047,613)
Net assets/(liabilities)	31,043,468	(28,335,650)

As the Company does not employ personnel or provide tour operating services itself, analysis of the Company's performance using KPIs relating to environmental and employee matters are not considered relevant.

Since the Company is an intermediate parent company, the Company's business performance and key performance indicators are driven by both the underlying operating performance of its subsidiaries and the capital structure of the Company. In the year ended 30 September 2016, dividends received from its subsidiaries totalled £nil (2015: £40,201). Further details of dividends received are shown in Note 7. Amounts written off investments and associates for the year ended 30 September 2016 totalled £44,085,430 (2015: £45,638,619) following reviews of the carrying value of all its investments, further details of which are included in Notes 14, 15 and 16.

Interest expense for the year totalled £4,280,407 (2015: £4,964,645) on loan amounts due to Group undertakings of £40,977,058 (2015: £83,425,465) as at 30 September 2016, details of which are in Notes 11 and 18 of these financial statements. The majority of this is due to First Choice Holidays Finance Limited, a fellow Group subsidiary, which is the treasury management company for the Group.

The Company's profit on ordinary activities before taxation for the year ended 30 September 2016 was £33,546,797 (2015: loss of £93,802,088). During the year the Company did not pay an interim dividend (2015: £nil) and the Directors are unable to recommend the payment of a final dividend (2015: £nil).

During the year ended 30 September 2016, the Company increased its investments into subsidiaries, joint ventures and associates by £333,088,345, including a total of £133,942,210 being invested to acquire a majority share of TUI Canada Holdings Inc as part of a Group restructure. The Company also disposed of £199,146,136 of investments realising a profit on disposal of £82,781,433.

The investment additions were partly funded via the issuance of 24,500,000 ordinary £1.00 shares to the Company's parent company TUI Travel Limited, for total consideration of £24,500,000.

Details of the Company's investments, including additions, disposals and impairment charges are provided in Notes 14, 15 and 16.

The Company will continue to act as an intermediate holding company for the foreseeable future.

STRATEGIC REPORT (continued)

Funding, liquidity and going concern

At 30 September 2016, the Company had net assets of £31,043,468 (2015: liabilities of £28,335,650) and net current liabilities of £100,093,149 (2015: £59,047,613). The financial statements are prepared on the going concern basis as the ultimate parent company, TUI AG, has agreed to provide financial support to the Company in order that it can continue to trade and meet its liabilities as they fall due.

The Directors consider the future outlook of the Company to be satisfactory. Details of post balance sheet events are included in Note 21 of these financial statements.

Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101")

The Company has adopted FRS 101 for the year ended 30 September 2016 as its basis of accounting. The impact on net assets as at 1 October 2014, being the date of transition, and for the year ended 30 September 2015 are detailed in the impact of transition note, Note 3.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are:

- **Profitability of the Company's subsidiaries and dividends received.** Dividends received from the Company's subsidiaries are variable and the timing and amount of each dividend is dependent upon the long-term success and profitability of each subsidiary. Since the majority of the Company's profits are generated by dividends received from its subsidiaries, the Company's profitability from one year to another can therefore vary significantly.
- **Recoverability of the carrying value of investments.** The Company provides capital to its subsidiary undertakings when necessary in order to promote their long-term development and success. The recoverability of each investment will depend upon this long-term success and the future cash flows that are expected to be generated by each subsidiary. To the extent that the future cash flows do not support the carrying value of the investment, an impairment is required to be recognised in the Company's statement of total comprehensive income.
- **Capital structure and funding.** The Company is dependent upon access to funding in the form of capital from its immediate parent company, long-term interest-bearing loans from a fellow Group subsidiary and bank overdraft facilities. To the extent that funding of the Company is by way of long term loans, the profitability of the Company is dependent upon the rates of interest charged, which are periodically re-set to ensure they remain at market levels. An increase in market rates would therefore reduce the profitability of the Company.

Throughout the financial year, the directors of the ultimate parent undertaking, TUI AG, managed the Group's risks, which include those of the Company and its subsidiaries. Further information on these risks, together with how these are mitigated, can be found on pages 49-65 of the TUI AG Annual report and accounts 2015/16. Details of where these financial statements can be obtained are Note 22 in these financial statements.

On behalf of the Board



A K Jarvis
Director

Company Number 4998708

Dated 18 May 2017

DIRECTORS' REPORT

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

D J Burling	(appointed 16 December 2015)
A K Jarvis	(appointed 16 December 2015)
T Woelke	

The other Director who served during the year was:

J Walter	(resigned 18 December 2015)
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Directors' insurance

Throughout the financial year until the date of approval of these financial statements the ultimate parent company, TUI AG, maintained Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company. These policies meet the Companies Act 2006 definition of a qualifying third party indemnity provision.

Statement as to disclosure of information to auditors

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Following a decision by the Audit Committee and Supervisory Board of the ultimate parent company TUI AG, the Group audit appointment for the year ending 30 September 2017 will be rotated in line with EU regulations, and Deloitte LLP are expected to be appointed as auditor of the TUI Group, including of the Company, during 2017.

Business review

A fair review of the business, including an analysis of the performance and financial position of the Company, together with details of key performance indicators, dividends, funding and liquidity, future developments and post balance sheet events are included within the Strategic Report.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Reports of the Directors and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

DIRECTORS' REPORT (continued)

Statement of Directors' responsibilities (continued)

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



A K Jarvis
Director

Company Number 4998708

Dated 18 May 2017

Report on the financial statements

Our opinion

In our opinion, TUI Travel Overseas Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Reports of the Directors and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 30 September 2016;
- the statement of total comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities set out on pages 3 and 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

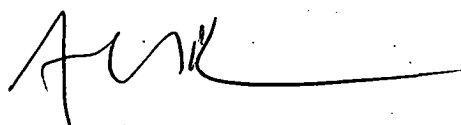
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Archie Wilson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
19 May 2017

TUI Travel Overseas Holdings Limited
Statement of total comprehensive income for the year ended 30 September 2016

		Year ended 30 September 2016	Year ended 30 September 2015
	Note	£	£
Administrative expenses		124,381	(41,341,345)
Operating profit/(loss)		124,381	(41,341,345)
Income from shares in Group undertakings	7	-	40,201
Amounts written off investments	8	(44,085,430)	(45,638,619)
Profit on disposal of investments	8	82,781,433	-
Profit/(loss) on ordinary activities before interest and taxation		38,820,384	(86,939,763)
Finance income	10	49,754	44,719
Finance expense	11	(5,323,341)	(6,907,044)
Profit/(loss) on ordinary activities before taxation	8	33,546,797	(93,802,088)
Tax credit	12	1,332,321	1,657,559
Profit/(loss) for the financial year attributable to owners of the parent		34,879,118	(92,144,529)
Total comprehensive income/(expense) for the year attributable to owners of the parent		34,879,118	(92,144,529)

TUI Travel Overseas Holdings Limited
Balance sheet as at 30 September 2016

		30 September 2016	30 September 2015
	Note	£	£
Non-current assets			
Intangible assets	13	92,627	103,970
Investments in subsidiaries	14	161,899,649	36,841,576
Investments in joint ventures	15	7,824,311	6,379,225
Investments in associates	16	-	26,644,087
		169,816,587	69,968,858
Current assets			
Trade and other receivables	17	1	122,154
Income tax – group relief recoverable		3,005,812	4,737,837
Cash and cash equivalents		9,509	28
		3,015,322	4,860,019
Total assets		172,831,909	74,828,877
Current liabilities			
Interest-bearing loans and borrowings	18	(103,108,471)	(63,287,590)
Trade and other payables	19	-	(620,042)
		(103,108,471)	(63,907,632)
Non-current liabilities			
Interest-bearing loans and borrowings	18	(38,679,970)	(39,256,895)
		(38,679,970)	(39,256,895)
Total liabilities		(141,788,441)	(103,164,527)
Net assets/(liabilities)		31,043,468	(28,335,650)
Equity			
Called up share capital	20	102,842,947	78,342,947
Profit and loss account		(71,799,479)	(106,678,597)
Total equity attributable to owners of the parent		31,043,468	(28,335,650)

The notes on pages 9 to 25 form part of these financial statements.

The financial statements on pages 6 to 25 were approved and authorised for issue by the Board of Directors on 18 May 2017 and signed on its behalf by:



A K Jarvis
Director

TUI Travel Overseas Holdings Limited
Statement of changes in equity for the year ended 30 September 2016

	Note	Called up share capital £	Profit and loss account £	Total equity £
At 1 October 2014		65,600,539	(14,534,068)	51,066,471
Total comprehensive expense for the year		-	(92,144,529)	(92,144,529)
Issue of share capital		12,742,408	-	12,742,408
At 30 September 2015		78,342,947	(106,678,597)	(28,335,650)
Total comprehensive income for the year		-	34,879,118	34,879,118
Issue of share capital	20	24,500,000	-	24,500,000
At 30 September 2016		102,842,947	(71,799,479)	31,043,468

1. General information

The Company is a private limited company incorporated and domiciled in England. The address of its registered office is TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex, RH10 9QL. The Company's registered number is 4998708.

The principal activity of the Company continues to be that of an intermediate holding company within the TUI AG group of companies (the "Group").

2. Basis of preparation

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The financial statements have been prepared under the historical cost convention, on a going concern basis and in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

FRS 101

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined by Financial Reporting Standard 100 'Application of financial reporting requirements' ("FRS 100") which addresses the financial requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRS").

The Company has elected to adopt FRS 101 for the year ended 30 September 2016. In addition to adopting FRS 101, the Company has also elected to early adopt both the provisions of Statutory Instrument 2015 No.980 'The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015' ("SI 980") and FRS 101 (September 2015) which permit the use of the formats prescribed in International Accounting Standard 1 'Presentation of financial statements' ("IAS 1") for the primary statements, as opposed to using the formats prescribed by Companies Act 2006.

Further details of the impact of this transition as at 1 October 2014 and for the year ending 30 September 2015 are found in Note 3.

Going concern

At 30 September 2016, the Company had net current liabilities. The financial statements are prepared on the going concern basis as the ultimate parent company, TUI AG, has agreed to provide financial support to the Company in order that it can continue to trade and meet its liabilities as they fall due. This support will continue for a period of at least 12 months from the date of approval of these financial statements.

Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in the Company's functional currency of Sterling, rounded to the nearest pound.

3. Impact of transition on the financial statements

As stated in Note 2, these are the Company's first financial statements prepared in accordance with FRS 101 and SI 980.

The accounting policies set out in Note 4 have been applied in preparing the financial statements for the year ended 30 September 2016, the comparative financial information presented in these financial statements for the year ended 30 September 2015 and the opening FRS 101 balance sheet at 1 October 2014 (the Company's date of transition).

In preparing the opening FRS 101 balance sheet as at 1 October 2014, the comparative balance sheet as at 30 September 2015 and the statement of total comprehensive income for the year ended 30 September 2015, the Company has adjusted amounts previously reported in the Company's financial statements, which were prepared in accordance with the old basis of accounting under United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

3. Impact of transition on the financial statements (continued)

An explanation of the impact of how the transition from UK GAAP to FRS 101 and adoption of IAS 1 formats have affected the Company's primary statements, financial position and financial performance is set out in the following tables and related notes:

Reconciliation of equity as at 1 October 2014

		UK GAAP 30 September 2014 as previously reported £	Effect of transition £	FRS 101 1 October 2014 £
	Note			
Non-current assets				
Intangible assets		115,312	-	115,312
Investments in subsidiaries		74,016,250	-	74,016,250
Investments in associates		28,681,693	-	28,681,693
Trade and other receivables	(A)	-	43,218,528	43,218,528
		<u>102,813,255</u>	<u>43,218,528</u>	<u>146,031,783</u>
Current assets				
Trade and other receivables	(A),(B)	47,280,751	(47,158,597)	122,154
Income tax – group relief recoverable	(B)	-	3,940,069	3,940,069
Cash and cash equivalents		60,147	-	60,147
		<u>47,340,898</u>	<u>(43,218,528)</u>	<u>4,122,370</u>
Total assets		<u>150,154,153</u>	<u>-</u>	<u>150,154,153</u>
Current liabilities				
Interest-bearing loans and borrowings	(A)	-	(13,189,673)	(13,189,673)
Trade and other payables	(A)	(14,770,851)	13,189,673	(1,581,178)
		<u>(14,770,851)</u>	<u>-</u>	<u>(14,770,851)</u>
Non-current liabilities				
Interest-bearing loans and borrowings	(A)	-	(84,316,831)	(84,316,831)
Trade and other payables	(A)	(84,316,831)	84,316,831	-
		<u>(84,316,831)</u>	<u>-</u>	<u>(84,316,831)</u>
Total liabilities		<u>(99,087,682)</u>	<u>-</u>	<u>(99,087,682)</u>
Net assets	(C)	<u>51,066,471</u>	<u>-</u>	<u>51,066,471</u>
Equity				
Called up share capital		65,600,539	-	65,600,539
Profit and loss account		(14,534,068)	-	(14,534,068)
Total equity attributable to owners of the parent	(C)	<u>51,066,471</u>	<u>-</u>	<u>51,066,471</u>

3. Impact of transition on the financial statements (continued)

Reconciliation of equity as at 30 September 2015

		UK GAAP 30 September 2015 as previously reported £	Effect of transition £	FRS 101 30 September 2015 £
	Note			
Non-current assets				
Intangible assets		103,970	-	103,970
Investments in subsidiaries		36,841,576	-	36,841,576
Investments in joint ventures		6,379,225	-	6,379,225
Investments in associates		26,644,087	-	26,644,087
		<u>69,968,858</u>	<u>-</u>	<u>69,968,858</u>
Current assets				
Trade and other receivables	(B)	4,859,991	(4,737,837)	122,154
Income tax – group relief recoverable	(B)	-	4,737,837	4,737,837
Cash and cash equivalents		28	-	28
		<u>4,860,019</u>	<u>-</u>	<u>4,860,019</u>
Total assets		<u>74,828,877</u>	<u>-</u>	<u>74,828,877</u>
Current liabilities				
Interest-bearing loans and borrowings	(A)	-	(63,287,590)	(63,287,590)
Trade and other payables	(A)	(63,907,632)	63,287,590	(620,042)
		<u>(63,907,632)</u>	<u>-</u>	<u>(63,907,632)</u>
Non-current liabilities				
Interest-bearing loans and borrowings	(A)	-	(39,256,895)	(39,256,895)
Trade and other payables	(A)	(39,256,895)	39,256,895	-
		<u>(39,256,895)</u>	<u>-</u>	<u>(39,256,895)</u>
Total liabilities		<u>(103,164,527)</u>	<u>-</u>	<u>(103,164,527)</u>
Net liabilities	(C)	<u>(28,335,650)</u>	<u>-</u>	<u>(28,335,650)</u>
Equity				
Called up share capital		78,342,947	-	78,342,947
Profit and loss account		(106,678,597)	-	(106,678,597)
Total equity attributable to owners of the parent	(C)	<u>(28,335,650)</u>	<u>-</u>	<u>(28,335,650)</u>

Notes to the reconciliation of equity

- (A) IAS 1 requires financial instruments other than trade and other receivables and trade and other payables to be presented on the face of the balance sheet. Accordingly, at 1 October 2014:
- £43,218,528 of amounts due from fellow Group subsidiaries have been reclassified from current trade and other receivables to non-current trade and other receivables. This adjustment was £nil at 30 September 2015.
 - £6,172,856 of interest-bearing loans due to fellow Group subsidiaries have been reclassified from current trade and other payables to current interest-bearing loans and borrowings. This adjustment was £44,168,570 at 30 September 2015.

3. Impact of transition on the financial statements (continued)

Notes to the reconciliation of equity (continued)

- a bank overdraft balance of £7,016,817 has been reclassified from current trade and other payables to current interest-bearing loans and borrowings. This adjustment was £19,119,020 at 30 September 2015.
 - £84,316,831 of interest-bearing loans due to fellow Group subsidiaries have been reclassified from non-current trade and other payables to non-current interest-bearing loans and borrowings. This adjustment was £39,256,895 at 30 September 2015.
- (B) IAS 1 requires income tax recoverable and payable to be presented on the face of the balance sheet. Accordingly, at 1 October 2014, £3,940,069 of income tax recoverable has been reclassified from current trade and other receivables to current income tax – group relief recoverable. This adjustment was £4,737,837 at 30 September 2015.
- (C) There has been no adjustments to total equity at both 1 October 2014 and at 30 September 2015 in line with the above adjustments.

There was no impact on the statement of total comprehensive income for the year end 30 September 2015.

4. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the financial years presented.

New and amended standards adopted by the Company

The following narrow scope amendments to existing standards have been endorsed by the EU and are effective in the current year:

- Amendments to IAS 19 'Employee benefits' on defined benefit plans;
- Annual improvements project 2012, covering IFRS 2 'Share based payments', IFRS 3 'Business combinations', IFRS 8 'Operating segments', IFRS 13 'Fair value measurement', IAS 16 'Property, plant and equipment', IAS 24 'Related party disclosures' and IAS 38 'Intangible assets'; and
- Annual improvements project 2013, covering IFRS 1 'First-time adoption of International Financial Reporting Standards', IFRS 3 'Business combinations', IFRS 13 'Fair value measurement' and IAS 40 'Investment property'.

None of the amendments to each individual standard are considered material to the Company and hence there has been no impact on these financial statements as a result of adopting the amended standards.

Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful life of 15 years.

Impairment of non-financial assets

Non-financial assets not subject to amortisation are tested annually for impairment. Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the statement of total comprehensive income whenever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows.

Investments in subsidiaries, associates and joint ventures

Investments are recognised at cost less accumulated impairment losses.

4. Summary of significant accounting policies (continued)

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit and loss, loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedged. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current investments.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise receivables, cash and commercial paper in the balance sheet.

Trade and other receivables

Trade and other receivables are amounts due from third parties obligations generated in the ordinary course of business. If collection is expected in one year or less they are classified as current assets, if not, they are presented as non-current assets. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less impairment losses.

Impairment of financial assets

The Company's financial assets held at amortised cost are assessed at the end of each reporting period for impairment. Impairment losses are incurred only if there is objective evidence of the impairment as a result of one or more events after the initial recognition of the asset (a 'loss event') and that the loss event has an impact on the estimated future cash flows of the asset that can be reliably estimated.

Cash and cash equivalents

Cash comprises cash at bank. The Company does not invest in deposits held on call with banks or other short-term highly liquid investments. In the balance sheet, bank overdrafts are shown in current liabilities.

Borrowings

Borrowings are recognised initially at fair value, net of any transaction costs incurred. Borrowings are subsequently carried at amortised cost. They are included in current liabilities, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current liabilities. The Company's borrowings comprise loans due to a fellow Group subsidiary and a bank overdraft.

Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from third party suppliers or other Group companies. If payment is due within one year or less they are classified as current liabilities; if not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

Foreign currency translation

Foreign currency transactions are initially translated into the Company's functional currency using the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing on the balance sheet date. Foreign exchange gains and losses resulting from translation to year-end rates are recognised in the statement of total comprehensive income.

Dividends

Dividend income is recognised when the right to receive payment is established. For interim dividends from UK subsidiaries, this is the period in which the dividends are received. For final dividends from UK companies or from overseas subsidiaries where the deduction of the dividend is legally obliging on that entity, the dividend is recognised at the date of the declaration.

4. Summary of significant accounting policies (continued)

Finance income and finance expense

Finance income recognised in the statement of total comprehensive income mainly comprises interest receivable on loans due from Group direct and indirect subsidiaries. Finance expense recognised in the statement of total comprehensive income mainly comprises interest expense on loans due to Group direct and indirect subsidiaries and joint ventures, interest expense on bank overdrafts and foreign exchange losses.

Current tax

The tax expense for the year comprises current tax and is recognised in the statement of total comprehensive income. Current tax is the expected tax payable (or recoverable) for the current financial year using the average tax rate for the year. To the extent available, the amount is first recovered from, or surrendered to, other Group companies as group relief.

Called up share capital

Ordinary shares are classified as equity.

5. Reduced disclosures permitted by FRS 101

The Company meets the definition of a qualifying entity of TUI AG, as defined by FRS 100, as the results of this Company are fully consolidated into the Group financial statements of TUI AG. Details for obtaining the Group financial statements of TUI AG can be found in Note 22. Where applicable and required by FRS 101, equivalent disclosures have been provided in the Group's consolidated financial statements in accordance with the Application Guidance to FRS 100. As such, the Company has taken advantage of the following disclosure exemptions as set out in paragraph 8 of FRS 101:

IFRS	Relevant paragraphs of IFRS	Disclosure exemptions taken
IFRS 2 'Share-based payment'	45(b) and 46 to 52	All disclosure requirements.
IFRS 7 'Financial instruments'	All paragraphs	All disclosure requirements.
IFRS 13 'Fair value measurement'	91 to 99	All disclosure requirements in respect of the valuation techniques and inputs used for the fair value measurement of assets and liabilities.
IAS 1 'Presentation of financial statements'	38	Paragraph 79(a)(iv) of IAS 1; and Paragraph 118(e) of IAS 38 'Intangible assets'.
	38 A to D	Certain additional comparative information.
	10(d) and 111	A statement of cash flows and related information.
	10(f) and 40 A to D	A balance sheet as at the beginning of the preceding financial period when an entity applies an accounting policy retrospectively or when it reclassifies items in its financial statements.
	16	A statement of compliance with all IFRS.
	134 to 136	Information on the Company's objectives, policies and processes for managing capital.
IAS 7 'Statement of cash flows'	All paragraphs	IAS 7 disclosures in full.
IAS 8 'Accounting policies, changes in accounting estimates and errors'	30 and 31	New standards and interpretations that have been issued but which are not yet effective.
IAS 24 'Related party transactions'	17 and the requirements to disclose transactions between two group subsidiaries.	Detailed related party transaction information including key management compensation and transactions with other wholly-owned subsidiaries of the Group.

6. Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are material to the carrying value of assets, liabilities and total comprehensive income for the year are disclosed as follows:

a) Investments in subsidiary undertakings

Judgement is required in the assessment of the carrying amount of the investments in the Company's direct undertakings. Estimation of the recoverable amount of investments requires the Company to assess future cash flows projected to be generated by the subsidiary, associate and joint venture, which in turn is dependent upon a variety of factors including prevailing economic conditions and consumer demand for that entity's products.

b) Impairment of financial assets

The Company makes an estimate of the recoverable value of loans and other receivables. When assessing the impairment of loans and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

7. Income from shares in Group undertakings

Income from shares in Group undertakings comprises dividends of:

	Year ended 30 September 2016	Year ended 30 September 2015
Company	£	£
Tantur Tourizm Seyahat A.S.	-	40,201
	-	40,201

8. Profit/(loss) on ordinary activities before taxation

	Year ended 30 September 2016	Year ended 30 September 2015
	£	£
Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):		
Income from shares in Group undertakings (Note 7)	-	(40,201)
Amortisation of intangible fixed assets (Note 13)	11,343	11,342
Amounts written off investments in subsidiary undertakings (Note 14)	43,157,081	45,638,619
Amounts written off investments in associates (Note 16)	928,348	-
Profit on disposal of investments in subsidiaries (Note 14)	3,756,826	-
Profit on disposal of investments in associates (Note 16)	79,024,607	-
Foreign exchange losses on financial items	693,218	1,832,825
Management charges	1,424,264	1,239,519
Exceptional administrative expenses (Reversal of impairment)/impairment of amounts due from Group undertakings	(1,565,992)	40,088,599

8. Profit/(loss) on ordinary activities before taxation (continued)

At 30 September 2015, amounts due from Group undertakings totalling £40,088,599 were fully impaired following a review for recoverability, as it was considered unlikely that these amounts could be recovered. During the year ended 30 September 2016, £1,565,992 of those amounts were subsequently recovered and the impairment charge has been reversed in the current year.

Auditors' remuneration

The audit fee for 2016 was £15,450 (2015: £15,000). These fees have been paid by another Group company in both years and have not been recharged to the Company.

9. Employees' and Directors' remuneration

The Company had no employees and therefore incurred no related employee costs in the current or preceding financial year.

The Directors received no remuneration for their services as Directors of the Company (2015: £nil). The Company's Directors are directors of a number of fellow subsidiary companies and their remuneration was paid by another Group company, which makes no recharge to the Company (2015: £nil). It is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries.

10. Finance income

	Year ended 30 September 2016 £	Year ended 30 September 2015 £
Interest income on loans to Group undertakings	49,754	44,719
Total finance income	<u>49,754</u>	<u>44,719</u>

11. Finance expense

	Year ended 30 September 2016 £	Year ended 30 September 2015 £
Interest expense on loans from Group undertakings	4,280,407	4,964,645
Foreign exchange loss	693,218	1,832,825
Bank interest expense	349,716	109,574
Total finance expense	<u>5,323,341</u>	<u>6,907,044</u>

12. Tax credit

The tax credit can be summarised as follows:

(i) Analysis of tax credit in the year

	Year ended 30 September 2016 £	Year ended 30 September 2015 £
Current tax:		
- Amounts receivable from fellow subsidiaries for group relief	(1,342,223)	(1,663,589)
- Foreign tax suffered	9,902	6,030
Total current tax	<u>(1,332,321)</u>	<u>(1,657,559)</u>
Total tax credit in the statement of total comprehensive income	<u>(1,332,321)</u>	<u>(1,657,559)</u>

12. Tax credit (continued)

(ii) Factors affecting the tax credit in the year

The tax credit (2015: credit) for the year ended 30 September 2016 is different to (2015: lower than) the standard rate of corporation tax in the UK of 20.0% (2015: 20.5%). The differences are shown in the table below:

	Year ended 30 September 2016 £	Year ended 30 September 2015 £
Profit/(loss) on ordinary activities before taxation	33,546,797	(93,802,088)
Profit/(loss) on ordinary activities multiplied by the effective standard rate of UK corporation tax of 20.0% (2015: 20.5%)	6,709,359	(19,229,428)
Effects of:		
- Expenses not deductible for tax purposes	8,817,087	17,574,080
- Income not taxable	(16,868,669)	(8,241)
- Foreign tax suffered	9,902	6,030
Total tax credit in the statement of total comprehensive income	(1,332,321)	(1,657,559)

(iii) Factors affecting the future tax charge

The rate of taxation is expected to follow the standard rate of UK corporate tax in future periods.

At the balance sheet date, the Finance Act 2016 had been substantively enacted confirming that the main UK corporation tax rate will reduce to 19% with effect from 1 April 2017 and 17% from 1 April 2020. These reductions may reduce the Company's future current tax expenses accordingly.

There are no unrecognised deferred tax assets nor unprovided deferred tax liabilities at either 30 September 2016 or 30 September 2015.

13. Intangible assets

	Licences £
Cost:	
At 1 October 2015 and at 30 September 2016	170,132
Accumulated amortisation and impairment:	
At 1 October 2015	66,162
Amortisation charge for the year	11,343
At 30 September 2016	77,505
Net book value:	
At 30 September 2016	92,627
At 30 September 2015	103,970

The Company purchased a 15-year licence in January 2010 to use the Williment Travel Group Limited (a fellow Group subsidiary) trademarks. Amortisation of the licence is charged on a straight-line basis over the licence period.

14. Investments in subsidiaries

	Investments in subsidiary undertakings £
Cost:	
At 1 October 2015	79,719,021
Additions	176,017,726
Return of investment	(5,355,409)
Disposals	(12,449,455)
At 30 September 2016	237,931,883
Impairment:	
At 1 October 2015	42,877,445
Charged during the year	43,157,081
Disposals	(10,002,292)
At 30 September 2016	76,032,234
Net book value:	
At 30 September 2016	161,899,649
At 30 September 2015	36,841,576

Additions:

Additions in investments comprise the following transactions which occurred during the year ended 30 September 2016:

Investment	Date of addition	Shares acquired (number)	Par value of share	Total consideration £
Meetings and Events International Limited	29 October 2015	201,648	£1.00	201,648
Meetings and Events International Limited	20 November 2015	500,743	£1.00	500,743
Magic Hotels SA	23 December 2015	220,900	TND50.00	3,649,200
Magic Hotels SA	1 February 2016	222,100	TND50.00	3,792,421
Hannibal Tours SA	11 March 2016	1	EUR1.00	1
Tunisie Voyages SA	11 March 2016	1	EUR1.00	103
Tunisie Investment Services Holding	11 March 2016	1	EUR1.00	62,608
TT Hotels Italia	21 March 2016	900,000	EUR1.00	701,298
Magic Hotels SA	1 May 2016	134,700	TND50.00	2,334,631
Magic Hotels SA	1 June 2016	202,635	TND50.00	3,475,721
Magic Hotels SA	13 June 2016	941,708	TND50.00	16,175,263
TT Hotels Turkey Otel Hizmetleri Turizm ve Ticaret Anonim Sirketi	5 July 2016	47,500,000	TRL1.00	12,263,445
TUI Canada Holdings Inc.	29 September 2016	153,059,267	CAD1.00	132,860,644
				176,017,726

Return of investment:

On 29 July 2016, TUI Holdings (Australia) Pty Limited reduced its share capital by returning cash, without cancelling any shares, by AUD \$9,000,000 (£5,355,409).

14. Investments in subsidiaries (continued)

Disposals:

Disposals in investments comprise the following transactions which occurred during the year ended 30 September 2016:

Subsidiary	Date of disposal	Shares disposed (number)	Total consideration £	Carrying value of investment disposed £	Profit on disposal £
Intercoastal Shoreside & Port Services Canada Inc.	18 December 2015	1,990,080	4,002,228	2,021,356	1,980,872
Meetings and Events International Limited	18 December 2015	4,389,187	1	-	1
Tantur Turizm Seyahat Limited	March 2016	64,040	595,749	266,375	329,374
Lima Tours S.A.C.	21 April 2016	5	19,011	5,017	13,994
TUI Holdings (Australia) Pty Limited	23 September 2016	17,905,000	1,587,000	154,415	1,432,585
			6,203,989	2,447,163	3,756,826

Amounts impaired during the year:

Following a review of the recoverable value of the Company's investments, the following impairments have been charged to the total statement of comprehensive income in the year:

Subsidiary	Impairment charge £
Meetings and Events International Limited	702,391
Magic Hotels SA	29,427,234
Hannibal Tours SA	1
Tunisie Voyages SA	104
Tunisie Investment Services Holding	62,608
TT Hotels Turkey Otel Hizmetleri Turizm ve Ticaret Anonim Sirketi	12,263,445
TT Hotels Italia	701,298
	43,157,081

List of investments in subsidiaries at 30 September 2016:

Name of undertaking	Country of incorporation	Registered address	Share class	% held directly by the Company	Total % held by Group companies
Alkor Yat Turizm Isletmeciligi AS	Turkey	Sahil Yolu Caddesi Eti Krom Sokak Marinturk Village, Port Tesisi 11 Nolu Unite Gocek, Fethiye Mugla.	TRY 0.10 Ordinary shares	0.03	100
Exodus Travels Australia Pty Ltd	Australia	Kovac Advisory Pty Ltd, Level 3, 50 Market Street, Melbourne VIC 3000.	AUD1.00 Ordinary shares	-	100
Follow Coordinate Hotels Portugal Unipessoal Lda	Portugal	Quinta do milharo s/n Olhos d'Agua, Albufeira Freguesia, Albufeira e Olhos de Agua, 8200-591	€1.00 Ordinary shares	100	100
Hannibal Tours S.A.	Tunisia	5 Rue Saint Fulgence Mutuelleville, Wandsworth,, Tunis 1002	TND10.00 Ordinary shares	0.01	51

14. Investments in subsidiaries (continued)

List of investments in subsidiaries at 30 September 2016 (continued):

Name of undertaking	Country of incorporation	Registered address	Share class	% held directly by the Company	Total % held by Group companies
Inter Hotel SARL	Tunisia	54 Rue du Niger, 1002 Tunis Belvedere.	TND10.00 Ordinary shares	-	100
Itaria Limited	Cyprus	Capital Chambers 1, Constantinou Skokou, 5th Floor, Nicosia, P.C. 1061.	€1.00 Ordinary shares	100	100
Jetair Travel Distribution N.V.	Belgium	Gistelsesteenweg 1, B-8400 Oostende.	€ Ordinary shares	51	100
Magic Hotels SA	Tunisia	71 Rue Alain Savary, Tunis, 1003	TND50.00 Ordinary shares	100	100
Magic Life Egypt for Hotels LLC	Egypt	Magic Life Sharm El Shaeikh Hotel Resort, Nabq, Sharm El Sheikh, South Sinai Governorate, Egypt	EGP100.00 Ordinary shares	99.94	100
Magic Life Greece Tourist Enterprises Limited Liability Company (in liquidation)	Greece	11 Kalamakiou Avenue, Alimos.	€3,390.00 Ordinary shares	99.90	100
Magic Tourism International S.A.	Tunisia	Complexe Le Forum, No B42, 4e Etage, 1 Rue de Carthage, Ariana	TND100.00 Ordinary shares	97	98.50
Societe d'investissement et d'exploitation du Paladien Calcatoggio	France	Hotel Le Grand Bleu, Plage de Liscia, 20111, Calcatoggio.	€3.175 Ordinary shares	100	100
Travel Choice Limited	United Kingdom	TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex, RH10 9QL.	£1.00 Ordinary Shares	100	100
TT Hotels Italia S.R.L	Italy	Via Principessa Clotilde 7 Rome (RM) 00196	€1.00 Ordinary shares	100	100
TT Hotels Turkey Otel Hizmetleri Turizm ve Ticaret Anonim Sirketi	Turkey	Güzeloba Mah. Havaalanı Cad. No:64 Plaza Batuhan, Muratpaşa / Antalya, D:6-7.	TRL1.00 Ordinary shares	100	100
TUI Canada Holdings Inc.	Canada	70 The Esplanade, Suite 401, Toronto, Ontario, M5E 1R2	CAD1.00 Common shares	52	100
Tunisie Investment Services Holding	Tunisia	Rue de Lengerie Solaire, Impasse No 4, La Chargura II, 2035, Tunisie	TND100.00 Ordinary shares	2	51
Tunisie Voyages S.A.	Tunisia	Rue de Lengerie Solaire, Impasse No 4, La Chargura II, 2035, Tunisie	TND100.00 Ordinary shares	0.01	51

* Controlling influence

The Directors believe that the book value of all existing investments is supported by the higher of underlying net assets or their recoverable value.

15. Investments in joint ventures

	Investments in joint ventures £
Cost:	
At 1 October 2015	10,994,968
Additions	1,445,086
At 30 September 2016	12,440,054
Impairment:	
At 1 October 2015 and at 30 September 2016	4,615,743
Net book value:	
At 30 September 2016	7,824,311
At 30 September 2015	6,379,225

Additions:

Additions in joint ventures comprise the following transactions which occurred during the year ended 30 September 2016:

Investment	Date of addition	Shares acquired (number)	Par value of share	Total consideration £
Karisma Hotels Caribbean S.A.	31 May 2016	2,100,000	US\$1.00	1,445,086
				<u>1,445,086</u>

Amounts provided during the year:

Following a review of the recoverable value of the Company's investments in joint ventures, no impairment charges are considered necessary.

List of investments in joint ventures at 30 September 2016:

Name of undertaking	Country of incorporation	Registered address	Share class	% held by directly by the Company	% held by Group companies
Bartu Turizm Yatirimlari Anonim Sirketi	Turkey	Ebulula Cad.Mayameridien, Plaza D.2 Blok, Kat:3 D:13 Akatlar, Istanbul.	€1.00 Ordinary shares	-	50
Karisma Hotels Caribbean S.A	Panama	Calle 53 Este, Urbanizacion Marbella, Torre MMG, 2nd Floor, Panama.	US\$1.00 Ordinary shares	50	50
Panac Hotel Dominicana S.R.L	Dominican Republic	Lope de Vega Avenue No 19, Torre PIISA II, Suite 301, Santa Domingo.	DOP100.00 Ordinary shares	-	50
Panac Hotel Investments S.A.	Panama	Calle 53 Este, Urbanizacion Marbella, Torre MMG, 2nd Floor, Panama.	US\$1.00 Ordinary shares	-	50

The Directors believe that the book value of all existing investments in joint ventures is supported by the higher of underlying net assets or their recoverable value.

16. Investments in associates

	Investments in associates £
Cost:	
At 1 October 2015	29,469,839
Additions	160,980,942
Disposals	(186,696,681)
At 30 September 2016	3,754,100
Impairment:	
At 1 October 2015	2,825,752
Charged during the year	928,348
At 30 September 2016	3,754,100
Net book value:	
At 30 September 2016	-
At 30 September 2015	26,644,087

Additions:

Additions in associates comprise the following transactions which occurred during the year ended 30 September 2016:

Investment	Date of addition	Shares Acquired (number)	Par value of share	Total consideration £
Karisma Hotels Adriatic d.o.o	2 August 2016	*0	HRK36,714,200	928,348
Blue Diamond Hotels and Resorts Inc.	8 September 2016	31,700,000	USD1.00	23,839,413
Vacation Express USA Corp	29 September 2016	245	USD0.01	3,352,536
Sunwing Travel Group Inc.	29 September 2016	152,092,598	CAD1.00	132,860,645
				<u>160,980,942</u>

* no new shares acquired as the par value of the one share owned was increased accordingly

Disposals:

Disposals in associates comprise the following transactions which occurred during the year ended 30 September 2016:

Subsidiary	Date of disposal	Shares disposed (number)	Total consideration £	Carrying value of investment disposed £	Profit on disposal £
Blue Diamond Hotels and Resorts Inc.	29 September 2016	71,993,827	129,508,107	50,483,500	79,024,607
Vacation Express USA Corp	29 September 2016	245	3,352,536	3,352,536	-
Sunwing Travel Group Inc.	29 September 2016	152,092,598	132,860,645	132,860,645	-
			<u>265,721,288</u>	<u>186,696,681</u>	<u>79,024,607</u>

During the year the Company acquired a majority share in a subsidiary TUI Canada Holdings Inc. (Note 14) in exchange for its shares in Vacation Express USA Corp and Sunwing Travel Group Inc.

Amounts provided during the year:

Following a review of the recoverable value of the Company's investments in associates, the following impairments have been charged to the statement of total comprehensive income in the year:

An impairment of £928,348 has been charged in respect of the investment in Karisma Hotels Adriatic d.o.o. so as to reduce the net book value to £nil, as this is considered to be the recoverable value.

16. Investments in associates (continued)

List of investments in joint ventures and associated undertakings at 30 September 2016:

Name of Undertaking	Country of incorporation	Registered address	Share class	% held directly by the Company	Total effective control held by Group companies
Blue Diamond Hotels and Resorts Inc.	Barbados	Suite 100, One Financial Place, Lower Collymore Rock, St. Michael.	BSD NPV Common shares	-	*49
Bulter Turizm ve Ticaret Anonim Sirketi	Turkey	Sorgun Mahallesi Ayigoru Mevkii Clup Pasifik Otel Manavgat, Antalya.	TRY1.00 Ordinary shares	-	44.80
Caribbean Hotels Management Group Inc.	Canada	27 Fasken Drive, Toronto, Ontario, M9W 1K6	Class Z Special voting shares	-	*49
Hoteli Zivogosce d.d	Croatia	Zivogosce (Opcina Podgora), Porat 136	HRK10.00 Ordinary shares	-	33.33
Karisma Hotels Adriatic d.o.o.	Croatia	Trg Drazena Petrovica 3, Zagreb.	HRK28,464,200.00 Ordinary shares	33.33	33.33
KHA cetiri d.o.o.	Croatia	Trg Drazena Petrovica 3, Zagreb.	HRK20,000.00 Ordinary shares	-	33.33
KHA dva d.o.o.	Croatia	Trg Drazena Petrovica 3, Zagreb.	HRK20,000.00 Ordinary shares	-	33.33
KHA pet d.o.o.	Croatia	Trg Drazena Petrovica 3, Zagreb.	HRK20,000.00 Ordinary shares	-	33.33
KHA tri d.o.o.	Croatia	Trg Drazena Petrovica 3, Zagreb.	HRK20,000.00 Ordinary shares	-	33.33
Sunwing Airlines Inc.	Canada	27 Fasken Drive, Toronto, Ontario, M9W 1K6	CAD Common shares	-	*49
Sunwing Travel Group Inc.	Canada	27 Fasken Drive, Toronto, Ontario, M9W 1K6	CAD1.00 Class Q Special shares	-	*49
			CAD1.00 Class X non-voting common shares	-	*49
			CAD1.00 Class Y non-voting common shares	-	*49
			CAD1.00 Class Z Special shares	-	*49
Sunwing Vacations Inc.	Canada	27 Fasken Drive, Toronto, Ontario, M9W 1K6	CAD Class B common shares	-	*49
			CAD Class C common share	-	*49
Vacation Express USA Corp	USA	Suite 101, 160 Greentree Drive, Dover De 19904, USA	USA \$0.01 Common shares	-	*49

* effective economic interest

The Directors believe that the book value of all existing investments in associates is supported by the higher of underlying net assets or their recoverable value.

17. Trade and other receivables

	30 September 2016	30 September 2015
	£	£
Amounts due from Group undertakings	1	1
Other debtors	-	122,153
	<u>1</u>	<u>122,154</u>

Amounts due from Group undertakings

Amounts due from Group undertakings are unsecured, bear no interest and are repayable on demand.

18. Interest bearing loans and borrowings

	30 September 2016		30 September 2015	
	Non-current	Current	Non-current	Current
	£	£	£	£
Amounts due to Group undertakings	38,679,970	2,297,088	39,256,895	44,168,570
Bank overdraft	-	100,811,383	-	19,119,020
	<u>38,679,970</u>	<u>103,108,471</u>	<u>39,256,895</u>	<u>63,287,590</u>

Amounts due to Group undertakings

Amounts due to Group undertakings are unsecured and bear interest at 5% above the 6-month LIBOR (2015: 5% above the 6-month LIBOR).

Analysis of maturity of loans

	30 September 2016	30 September 2015
	£	£
The maturity of loans due to Group undertakings is as follows:		
No later than one year	2,297,088	44,168,570
Later than one year and no later than two years	29,367,432	2,113,456
Later than two years and no later than five years	1,484,984	29,316,364
Later than five years	7,827,554	7,827,075
	<u>40,977,058</u>	<u>83,425,465</u>

19. Trade and other payables

	30 September 2016	30 September 2015
	£	£
Amounts due to Group undertakings	-	620,042

Amounts due to Group undertakings

Amounts due to Group undertakings are unsecured, bear no interest and are repayable on demand.

20. Called up share capital

	30 September 2016	30 September 2015
	£	£
Issued and fully paid		
102,842,947 (2015: 78,342,947) ordinary share of £1.00 each	<u>102,842,947</u>	<u>78,342,947</u>

On 8 September 2016, the Company issued 24,500,000 ordinary £1.00 shares to its parent company TUI Travel Limited at par value of £1.00 during the year for total cash consideration of £24,500,000.

21. Post balance sheet events

Subsequent to the year end the following post balance sheet events have occurred:

- On 21 October 2016 63,100,000 ordinary £1 shares were issued to TUI Travel Limited for total consideration of £63,100,000.
- On 27 October 2016 the Company subscribed for an additional 59,500,000 shares in TT Hotels Turkey Otel Hizmetleri Turizm ve Ticaret Anonim Sirketi for a total subscription price of £15,786,681.
- On 4 November 2016 the remaining term of the license to use the Williment Travel Group Limited trademarks was disposed of to Williment Travel Group Limited for consideration of £450,295 resulting in a profit on disposal of £358,613.
- On 20 December 2016 the Company subscribed for an additional 178,500,000 shares in TT Hotels Turkey Otel Hizmetleri Turizm ve Ticaret Anonim Sirketi for a total subscription price of £40,784,108.
- On 10 March 2017 the Company subscribed for an additional 731,550 share in Magic Hotels SA for a total subscription price of £13,095,594.

22. Ultimate parent company and controlling party

The Company is controlled by TUI AG, a company registered in Berlin and Hanover (Federal Republic of Germany), which is the ultimate parent company and controlling party. The immediate parent company is TUI Travel Limited.

The smallest and largest group in which the results of the Company are consolidated is that headed by TUI AG. Copies of the TUI AG financial statements are available from Investor Relations, TUI AG, Karl-Wiechert-Allee 4, D-30625, Hanover or from the website www.tuigroup.com/en-en. No other financial statements include the results of the Company.