Crown Blue Line Limited
Directors' report and financial statements
for the year ended 30 September 2011
Company number 946385

Crown Blue Line Limited
Report of the Directors for the year ended 30 September 2011

The Directors present their report and the audited financial statements of Crown Blue Line Limited ("the Company") for the year ended 30 September 2011

Principal activity
The Company's principal activity during the year continued to be the hire of boats The Company operates this activity through branches located in France and the United Kingdom

Results and dividends
The Company's loss on ordinary activities before taxation for the year ended 30 September 2011 was £229,911 (2010 £147,499) No dividends were paid during the year (2010 £nil) and the Directors do not recommend the payment of a final dividend

Enhanced business review
During the year the Company saw an increase in people holidaying in France The increase came from those booking directly with the Company or through its designated tour operator The Company, along with the rest of the subsidiaries in the TUI Travel PLC group of companies ("the Group"), continues to see a shift from more traditional booking channels to e-commerce and the Group is investing in the infrastructure to meet the projected increase in demand

During the year, the Directors managed the risks and uncertainties of the Company in co-ordination with its fellow subsidiaries in the Group The Company's risks and uncertainties are reviewed in the context of the Group and the Directors believe that this review process is appropriate given that the Company's operations are managed in co-ordination with those of the TUI Travel Specialist & Activity Sector businesses The principal risks and uncertainties which are common to the Group and the Company are

- **Economic downturn.** The current economic environment remains challenging and customer demand remains under pressure The Directors consider the Company has, within the context of the Group, appropriate planning processes in place and continue to monitor the trading outlook Appropriate mitigating action is taken where necessary to maximise profitability, such as maintaining flexible pricing, managing capacity commitments and focusing on cost control

- **Geo-political events and natural disasters** The nature of the business means that the Company is at risk of geo-political events or natural disasters. It is for this reason that the Company ensures it operates with a flexible and efficient business model and minimises the reliance on any one destination

- **Health and safety.** Accidents or injuries to our employees or customers whilst in our care as a result of failure in our due diligence process or supplier negligence could have a significant effect on the Company, its brand and ultimately, customer demand The Company takes a risk-based approach to Health & Safety due diligence including destination-based quality assessments and employing industry-leading expertise to set policy and provide guidance

- **Commercial relationships.** The Company has well established and close relationships with its customers and suppliers and spreads its risk by not placing over-reliance on any one supplier in any particular area However, if a relationship were lost or damaged with a major supplier this could have a detrimental effect on the business The management team meets regularly with suppliers to maintain good working relationships and to understand the supplier's financial position

- **Information technology.** The Company is reliant upon information technology Investment is being made to ensure that there are advanced and efficient systems in place but there is a risk if there were a major failure – particularly if it were to affect selling systems Procedures are in place to minimise the time a selling system is unavailable in the event of such a failure

- **Financial Risk.** The treasury function is managed centrally in the Group and supports the business activities and financial risks faced by the Company. The Directors identify, monitor and manage the financial risks faced by the Company including foreign exchange

Enhanced business review (continued)

As the Directors manage the Company in co-ordination with the management of the TUI Travel Specialist & Activity Sector businesses, they take the view that analysis using key performance indicators ("KPIs") for the Company alone is not necessary or appropriate for an understanding of the development, performance and positioning of its business

The development, performance and positioning of the Specialist & Activity Sector of the Group, which includes the Company, is discussed in the Business Performance section within the TUI Travel PLC annual report, which does not form part of this report

Funding and liquidity
The Directors have considered the funding and liquidity position of the Company and of its intermediate parent company TUI Travel PLC Following this review, the Directors consider it appropriate to continue to prepare the financial statements on the going concern basis Please also refer to note 1

Directors
The Directors of the Company at the date of this report are

R C Bainbridge (appointed 7 March 2012)
A L John
D Mee
C F Powell
J Wimbleton

Disabled employees
The policy of the Company is to give full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes and abilities Whenever possible the Company continues to employ those employees who have become disabled The Company makes arrangements for the training and career development of all disabled employees

Employee involvement
The policy of the Company is to ensure that employees are kept well informed by way of briefings, staff reports, newsletters and notices describing the activities and performance of Group undertakings

Policy and practice on payment of creditors
It is the Company's policy wherever possible to agree terms of payment with suppliers in advance to ensure that they are made aware of the terms of payment and both parties abide by those terms

Independent auditors
During the year KPMG Audit Plc resigned as auditors and PricewaterhouseCoopers LLP were appointed by the Directors in their place Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office

Directors' insurance
The intermediate parent company, TUI Travel PLC, maintains Directors' & Officers' Liability insurance policies on behalf of the Directors of the Company These policies meet the 2006 Companies act 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

Statement of Directors' responsibilities
The Directors are responsible for preparing the Directors' Report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in 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

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

By Order of the Board

R C Bainbridge
Director

Company Number 946385 Dated 29 June 2012

Crown Blue Line Limited
Report of the independent auditors to the members of Crown Blue Line Limited

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We have audited the financial statements of Crown Blue Line Limited for the year ended 30 September 2011 which comprise the profit and loss account, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 3 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) 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

Scope of the 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 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 In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 September 2011 and of its loss 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

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Andy Grimbly

Andy Grimbly (Senior Statutory Auditor) 29 June 2012
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

Crown Blue Line Limited
Profit and loss account for the year ended 30 September 2011

	Note	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Turnover	2	**12,307,749**	9,911,344
Cost of sales		**(7,574,400)**	(6,330,506)
Gross profit		**4,733,349**	3,580,838
Administrative expenses		**(3,180,222)**	(3,382,895)
Operating profit		**1,553,127**	197,943
Profit on the sale of fixed assets	8	**114,125**	188,221
Profit on ordinary activities before interest		**1,667,252**	386,164
Interest receivable and similar income	6	**11,292**	2,578,538
Interest payable and similar charges	5	**(1,908,455)**	(3,112,201)
Loss on ordinary activities before taxation	3	**(229,911)**	(147,499)
Tax on loss on ordinary activities	7	**48,344**	(530,592)
Loss for the financial year	15	**(181,567)**	(678,091)

The results stated above are all derived from continuing operations

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents

The Company has no recognised gains or losses other than those included in the profit and loss account Accordingly, no statement of total recognised gains and losses is presented

Crown Blue Line Limited
Balance sheet as at 30 September 2011

	Note	30 September 2011 £	Restated 30 September 2010 £
Fixed assets			
Tangible assets	8	**13,485,729**	13,860,954
Investments	9	**21,874,125**	21,874,125
		35,359,854	35,735,079
Current assets			
Stocks	10	**478,215**	480,143
Debtors	11	**12,198,518**	48,804,368
Cash at bank and in hand		**1,014,635**	6,044,619
		13,691,368	55,329,130
Creditors: amounts falling due within one year	12	**(26,256,447)**	(72,391,789)
Net current liabilities		**(12,565,079)**	(17,062,659)
Total assets less current liabilities		**22,794,775**	18,672,420
Creditors: amounts falling due after more than one year	12	**(24,403,107)**	(19,900,000)
Provisions for liabilities and charges	13	**(2,064,561)**	(2,263,746)
Net liabilities		**(3,672,893)**	(3,491,326)
Capital and reserves			
Called up share capital	14	**576,379**	576,379
Share premium account	15	**162,665**	162,665
Profit and loss account	15	**(4,411,937)**	(4,230,370)
Total shareholders' deficit	16	**(3,672,893)**	(3,491,326)

The notes on pages 7 to 15 form part of these financial statements

The comparives for 'Creditors amounts falling due within one year' and 'Creditors amounts falling due after more than one year' have been restated due to a reclassification with no impact on profit or loss or the overall totals

The financial statements were approved by the Board on 29 June 2012 and signed on their behalf by

R C Bainbridge
Director

1. Accounting policies

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the Company's financial statements, except as noted below

Basis of preparation
The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention

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

Cash flow
Under Financial Reporting Standard 1 (revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

Going concern
At 30 September 2011, the Company had net current liabilities and net liabilities

The accounts are prepared on the going concern basis as the intermediate parent company, TUI Travel PLC, 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, for as long as the Company remains a member of the Group.

Turnover
Turnover is the total amount, excluding Value Added Tax and agents' commission, receivable by the Company in the ordinary course of business for the provision of holidays and associated services as principal

Turnover is recognised on the date of departure and the related costs of distribution and of providing the holidays and flights are charged to the profit and loss account on the same basis

Marketing and other direct sales costs
Marketing, advertising and other promotional costs, including those related to the production of brochures, are expensed as expenditure is incurred

Tangible fixed assets and depreciation
Tangible assets are recorded at cost and are depreciated on a straight line basis to their residual value over their estimated useful lives

Boats	15-24 years
Short leasehold property	over period of lease
Plant, equipment and vehicles	3 to 10 years

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount Impairment losses are recognised in the profit and loss account

Fixed asset investments
Investments are stated at cost less provision for impairment Impairment reviews are carried out if there is an indication of a reduction in value

1. Accounting policies (continued)

Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow will be required to settle the obligation If the effect is material, provisions are determined by discounting the expected future cashflows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability

Pensions

Defined contribution schemes

The Company operates defined contribution pension schemes, the assets of which are held separately from those of the Company in independently administered funds The pension cost charge disclosed in Note 4 represents contributions payable by the Company to the fund

Finance leases

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease" The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life, or the term of the lease, whichever is shorter Future instalments under such leases, net of finance charges, are included within creditors Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments

Operating leases

All other leases are regarded as operating leases Costs in respect of operating leases are charged to the profit and loss account on a straight-line basis over the lease term or on another systematic basis, if this is more representative of the time pattern of the benefit from the use of the leased asset

Stocks

Stock are stated at the lower of cost and net realisable value and consists of finished goods purchased for resale Net realisable value is based on estimated selling price less estimated selling expenses Where necessary, provision is made for obsolete, slow moving and defective goods

Foreign currency translation and financial instruments

Monetary assets and liabilities denominated in currencies other than pounds sterling are translated at year end rates of exchange To the extent that foreign currency denominated monetary assets and liabilities are covered by forward exchange contracts, these are translated at the appropriate contract rate Foreign exchange gains and losses are recognised in the profit and loss account

Taxation

UK Corporation Tax is provided on amounts expected to be paid (or recovered) using the tax rates and laws enacted, or substantively enacted, at the balance sheet date

Except as otherwise required by accounting standards, full provision without discounting is made for all deferred taxation timing differences which have arisen but not reversed at the balance sheet date Timing differences arise when items of income and expenditure are included in tax computations in periods which are different from their inclusion in the financial statements A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be used

The UK Government announced a phased reduction in the main UK corporation tax rate from 28% to 24%, with the first 1% reduction taking effect from 1 April 2011 (and substantively enacted on 20 July 2010) On 23 March 2011, the UK Government announced an additional 1% reduction in the main UK corporation tax rate to 26% taking effect from 1 April 2011 On 21 March 2012, the UK Government announced a further 1% reduction in the main UK corporation tax rate to 24% taking effect from 1 April 2012

A further two reductions of 1% will follow annually, reducing the corporation tax rate to 22% from 1 April 2014

1. Accounting policies (continued)

Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the rates that have been enacted or substantively enacted at the balance sheet date Therefore, at 30 September 2011, deferred tax assets and liabilities have been calculated based on a rate of 25% (which was substantively enacted on 5 July 2011), where the temporary difference is expected to reverse after 1 April 2012

No account will be taken of the further reductions in the main UK corporation tax rate but it is estimated that this will not have a material effect on the Company

Judgement is required in the assessment of the future recoverability of tax losses and recognition of deferred tax assets Details of deferred tax recognition are provided in Note 13

2. Turnover

Turnover is analysed by key source market below

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
UK	**934,969**	191,110
Continental Europe	**11,372,780**	9,720,234
	12,307,749	9,911,344

3. Loss on ordinary activities before taxation

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Loss on ordinary activities before taxation is stated after charging / (crediting)		
Depreciation – owned assets	**491,392**	431,309
Profit on disposal of fixed assets	**(114,125)**	(188,221)
Operating lease rentals for land and buildings	**310,223**	257,104
Operating lease rentals for boats, plant and machinery	**92,578**	89,366
Exchange gains	**(14,037)**	(118,839)

In 2010 and 2011 auditors' remuneration was borne by another Group company It has not been possible to separately indentify the audit fee relating to this entity

4. Employees' and Directors' remuneration

(i) The average monthly number of employees (including Directors) during the year was as follows

	Year ended 30 September 2011	Year ended 30 September 2010
By activity	**Number**	Number
Administration	**18**	21
Engineers and boatyard	**126**	108
Management	**18**	17
	162	146

4. Employees' and Directors' remuneration (continued)

(ii) Employee costs for the above persons

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Wages and salaries	3,761,381	3,568,429
Social security costs	1,306,268	1,401,098
Other pension costs	17,029	13,241
	5,084,678	4,982,768

The Directors received no remuneration from the Company for their services during the current year (2010 £nil)

The Group, of which the Company is a part, operates a defined contribution scheme for employees eligible and willing to participate The assets of the scheme are held separately from the assets of the Group and the Company The pension costs relating to this scheme, and charged to the profit and loss account, amounted to £17,029 (2010 £13,241) There were no outstanding or prepaid contributions at either the beginning or end of the financial year

5. Interest payable and similar charges

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Bank interest payable	249,475	23,843
Other interest payable	239,008	-
Payable to Group companies	1,419,972	3,088,358
	1,908,455	3,112,201

6. Interest receivable and similar income

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Bank interest receivable	4,161	2,510
Receivable from Group companies	7,131	2,576,028
	11,292	2,578,538

7. Tax on loss on ordinary activities

i) Analysis of tax (credit) / charge in year

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Current tax		
Amounts receivable from fellow subsidiaries for group relief	**(64,532)**	-
Foreign tax suffered	**254,108**	948,656
Adjustment in respect of previous periods	**-**	36,247
Total current tax	**189,576**	984,903
Deferred tax		
Origination and reversal of timing differences		
- current year UK	**(14,216)**	(306,176)
- adjustment in respect of previous periods	**(67,119)**	(66,831)
- effect of changes in tax rates	**(156,585)**	(81,304)
Total deferred tax	**(237,920)**	(454,311)
Tax (credit) / charge on profit on ordinary activities	**(48,344)**	530,592

(ii) Factors affecting the current tax charge for the year

The current tax charge for the year (2010 charge) is higher (2010 higher) than the standard rate of corporation tax in the UK of 27% (2010 28%) This is explained below

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Loss on ordinary activities before tax	**(229,911)**	(147,499)
Loss on ordinary activities at the standard rate of UK corporation tax of 27% (2010 28%)	**(62,076)**	(41,300)
Effects of		
- Expenses not deductible for tax purposes	**70,829**	748
- Income not taxable for tax purposes	**(22,789)**	-
- Depreciation in excess of / (less than) capital allowances	**88,787**	68,065
- Unutilised / (utilised) losses	**(70,674)**	238,111
- Double tax relief	**(68,609)**	(265,624)
- Foreign tax suffered	**254,108**	948,656
- Adjustment in respect of previous periods	**-**	36,247
Current tax charge for year	**189,576**	984,903

(iii) Factors affecting the future tax charge

The rate of taxation is expected to follow the standard rate of UK corporation tax in future periods after taking into account expenditure not deductible for taxation and any non-taxable income The statutory rate of UK corporation tax is reduced to 24% with effect from 1 April 2012

8 Tangible fixed assets

	Boats	Plant, equipment and motor vehicles	Short leasehold property	Total
	£	£	£	£
Cost				
At 1 October 2010	19,468,636	759,038	948,107	21,175,781
Exchange adjustment	4,000	6,045	8,155	18,200
Additions	9,155	321,863	-	331,018
Transferred in	40,769	-	-	40,769
Disposals	(545,516)	-	-	(545,516)
At 30 September 2011	**18,977,044**	**1,086,946**	**956,262**	**21,020,252**
Accumulated depreciation				
At 1 October 2010	6,268,440	580,463	465,924	7,314,827
Exchange adjustment	4,199	4,869	3,967	13,035
Charge for the year	377,673	69,611	44,108	491,392
Transferred in	26,335	-	-	26,335
Disposals	(311,066)	-	-	(311,066)
At 30 September 2011	**6,365,581**	**654,943**	**513,999**	**7,534,523**
Net book value				
At 30 September 2011	**12,611,463**	**432,003**	**442,263**	**13,485,729**
At 30 September 2010	13,200,196	178,575	482,183	13,860,954

During the period, the Company disposed of certain boat fixed assets A profit on disposal of fixed assets of £114,125 (2010 £188,221) was recorded in the year

9. Investments

	Investments in subsidiary undertakings
	£
Cost·	
As at 1 October 2010 and 30 September 2011	**21,874,125**

Investment in principal subsidiary undertaking

The following company is a principal subsidiary undertaking of the Company and was involved in supporting the operations of the tour operator

Name	**Ownership of ordinary shares**	**Country of incorporation**	**Principal activity**
Porter and Haylett Limited	100%	England	Boat hire

The Directors believe that the book value of the investments is supported by their underlying net assets

10. Stocks

	30 September 2011	30 September 2010
	£	£
Boat spares and consumables	**478,215**	480,143

11 Debtors

	30 September 2011	30 September 2010
	£	£
Trade debtors	63,964	189,754
Amounts owed by Group undertakings	9,447,362	46,050,652
Group relief receivable	2,264,482	2,199,950
Other debtors	218,775	6,177
Prepayments and accrued income	203,935	357,835
	12,198,518	48,804,368

Amounts owed by Group undertakings are unsecured, have no fixed date of repayment and are interest free

12. Creditors: amounts falling due within one year

	30 September 2011	Restated 30 September 2010
	£	£
Bank overdrafts	-	15,342,450
Trade creditors	229,182	218,699
Amounts owed to Group undertakings	23,558,388	51,645,082
Taxation and social security	818,382	1,885,609
Other creditors	35,339	38,241
Overseas tax payable	523	502,342
Accruals and deferred income	1,614,633	2,759,366
	26,256,447	72,391,789

Amounts owed to Group undertakings with a fixed repayment schedule of £43,403,107 (2010 £21,900,000) are unsecured and bear interest at 5% above 6 month GBP LIBOR rate All other amounts owed to Group undertakings are unsecured, have no fixed repayment date and are interest free

Creditors: amounts falling due after one year

	30 September 2011	Restated 30 September 2010
	£	£
Amounts due to Group undertakings	24,403,107	19,900,000

Analysis of amounts due to Group undertakings

		30 September 2011	30 September 2010
		£	£
Amounts owed to Group undertakings with fixed repayment schedule	- Due within 1 year	19,000,000	2,000,000
	- Due within 1-2 years	14,503,107	5,000,000
	- Due within 2-5 years	9,900,000	14,900,000
		43,403,107	21,900,000

The comparives for 'Creditors amounts falling due within one year' and 'Creditors amounts falling due after more than one year' have been restated due to a reclassification with no impact on profit or loss or the overall totals

13. Provisions for liabilities

	Other	Deferred taxation	Restructuring	Total
	£	£	£	£
1 October 2010	39,362	2,195,233	29,151	2,263,746
Charged / (credited) to the profit and loss account	76,166	(237,920)	-	(161,754)
Utilised during the year	(8,280)	-	(29,151)	(37,431)
30 September 2011	**107,248**	**1,957,313**	-	**2,064,561**

Other provisions relate to a provision for settlement of a legal claim against the Company of £107,248 It is expected that this provision will be utilised in the forthcoming year

The elements of deferred taxation are as follows

	30 September 2011	30 September 2010
	£	£
Accelerated capital allowances	**2,647,865**	2,942,828
Tax losses	**(690,552)**	(747,595)
Net deferred tax liability	**1,957,313**	2,195,233

A deferred tax asset has not been recognised in respect of timing differences relating to capital losses as there is insufficient evidence that the asset will be recovered The amount of the deferred tax asset not recognised is £24,826 (2010 £26,812) The asset would be recovered if there were sufficient chargeable gains in the future against which to offset the losses

There are no other unprovided deferred liabilities or unrecognised deferred tax assets at either 30 September 2011 or 30 September 2010

14. Share capital

	30 September 2011	30 September 2010
	£	£
Issued and fully paid		
576,379 ordinary shares of £1 each	**576,379**	576,379

15. Reserves

	Foreign exchange reserve	Retained reserves	Profit and loss account	Share premium
	£	£	£	£
1 October 2010	(1,588,164)	(2,642,206)	(4,230,370)	162,665
Loss for the financial year	-	(181,567)	(181,567)	-
30 September 2011	**(1,588,164)**	**(2,823,773)**	**(4,411,937)**	**162,665**

16. Equity shareholder's deficit

	30 September 2011	30 September 2010
	£	£
Opening shareholders' deficit	(3,491,326)	(2,813,235)
Loss for the financial year	(181,567)	(678,091)
Closing shareholders' deficit	**(3,672,893)**	(3,491,326)

17. Operating lease commitments

At 30 September 2011, the Company had future annual commitments under non-cancellable operating leases which expire as follows

Land and buildings	30 September 2011 £	30 September 2010 £
Payable within one year	199,744	-
Payable within two to five years	36,444	186,683
Payable after five years	24,656	38,077
	260,844	224,760

Other leases – boats and equipment	30 September 2011 £	30 September 2010 £
Payable within one year	23,927	3,848
Payable within two to five years	45,367	-
	69,294	3,848

The Company also hires boats and other assets from fellow subsidiary companies, the annual charge for which is determined in arrears and is therefore not included within the future commitments above The total amount of boat rentals charged to the profit and loss account in the year ended 30 September 2011 is disclosed in note 3

18. Related party transactions

The Company has taken advantage of the exemption contained in Financial Reporting Standard No 8 "Related Party Disclosure" as it is a wholly-owned subsidiary of TUI Travel PLC Therefore the Company has not disclosed transactions or balances with wholly-owned entities that form part of the Group headed by TUI Travel PLC

19. Post balance sheet event

In October 2011 the Company disposed of Cruisers with a net book value of £12,533,864 to fellow Group companies for their net book value

20. Ultimate parent company

The Company is a subsidiary undertaking of TUI AG – a company registered in Berlin and Hanover (Federal Republic of Germany) which is the ultimate parent company and controlling party The intermediate holding company is TUI Travel PLC The immediate holding company is First Choice Leisure Limited

The largest group in which the results of the Company are consolidated is that headed by TUI AG The smallest group in which the results of the Company are consolidated is that headed by TUI Travel PLC, incorporated in the United Kingdom No other group financial statements include the results of the Company

Copies of the TUI Travel PLC financial statements are available from the Company Secretary TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex RH10 9QL or from the website www tuitravelplc com 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 tui-group com