

Crown Blue Line Limited
Reports of the Directors and financial statements
for the year ended 30 September 2016
Company number 946385

FRIDAY



A6AO29XC

A23

14/07/2017

#9

COMPANIES HOUSE

The Directors present their Strategic and Directors' Reports on, and the audited financial statements of, Crown Blue Line 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 a provider of inland waterways boating holidays operating this activity through branches located in France and the United Kingdom. During the year the Company was a subsidiary within the TUI AG group of companies (the "TUI Group").

On 29 September 2016, the immediate parent company, First Choice Leisure Limited, sold the Company to a fellow Group subsidiary, Mont Charvin Sarl, which became the immediate parent company from that date.

On 13 February 2017, TUI AG announced that it had reached an agreement with private equity firm KKR to sell its Specialist Holiday Sector, the Travelopia Group of companies, of which the Company is part of. The deal completed on 15 June 2017 and the new ultimate controlling party of the Company is KKR and Co. LP on behalf of the funds under its management.

Review of the business

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 |
|---|---|---|
| | £ | £ |
| Revenue | 11,905,257 | 10,669,397 |
| Profit on ordinary activities before taxation | 3,000,193 | 1,574,468 |
| Net assets | 60,495,888 | 57,740,832 |

The Company's profit on ordinary activities before taxation for the year ended 30 September 2016 was £3,000,193 (2015: £1,574,468). No dividend was paid during the year (2015: £nil) and the Directors do not recommend the payment of a final dividend.

Compared to the previous year, revenue increased by 11.6% this was driven mainly by foreign exchange movement on intergroup revenue from the French branch. Operating profit increased by 90.2%, which was impacted mainly from a strong revenue performance and a 7.4% decrease in administration expenses.

The decrease in administration costs was mainly driven by a movement in foreign exchange of £1,127,503, offset by a salary increase of £579,739.

The business plans to continue growing, assisted by access to a new and improved fleet.

Funding, liquidity and going concern

The Company has net current assets of £17,412,636 (2015: £14,914,362) and net assets of £60,495,888 (2015: £57,740,832). Cash and cash equivalents have increased £1,909,677 during the year driven by the reduction of amounts due from Group undertakings and increase in deferred income. The Directors have considered the funding and liquidity position of the Company. Following this review, the Directors consider it appropriate to prepare the financial statements on the going concern basis.

The Directors consider the future outlook of the Company to be satisfactory. Details of post balance sheet events are included in Note 23 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.

STRATEGIC REPORT (continued)

Principal risks and uncertainties

One of the biggest events in 2015/16 was the United Kingdom ("UK") referendum at the end of June 2016 which resulted in a vote for the UK to leave the European Union (commonly known as "Brexit"). The outcome of the referendum has led to a greater degree of uncertainty over the future economic performance of the UK economy and a greater potential for a slow-down in holiday and travel bookings in the medium term. We see our macroeconomic risk as having increased compared to this time last year.

The immediate impact of the Brexit vote was the depreciation of sterling which has a cost impact through making foreign denominated input costs in the business more expensive in sterling terms. Normal business practice is to increase holiday prices to offset these higher input costs and protect margins, however competitive pressures may prevent prices from rising to the full extent required

The principal risks and uncertainties which are common to the Group and the Company are:

- **Destination disruption risk.** Providers of holiday and travel services are exposed to the inherent risk of incidents affecting some countries or destinations within their operations. This can include the attacks in Paris in 2015 and Nice in 2016.
- **Consumer demand.** Spending on travel and tourism is discretionary and price sensitive. The economic outlook remains uncertain with different destinations at different points in the recovery cycle. Consumers are also waiting longer to book their trips in order to assess their financial situation. If we do not respond successfully to changes in consumer demands and preferences, our short-term growth rates and margins will fall below expectations.
- **Consumer preferences and desires.** The tourism industry is fast-paced and competitive with the emergence of new market participants operating new business models, combined with consumer tastes and preferences evolving all the time. In recent years there has been an emergence of successful substitute business models such as web-based travel and hotel portals which allow end users to combine the individual elements of a holiday trip on their own and book them separately. Consumer tastes and preferences have evolved in recent years as well, with more consumers booking their holidays online and via mobiles and tablets, and booking closer to the time of travel. There is the risk that if we do not respond adequately to such business model disruption or if our products and services fail to meet changing customer demands and preferences, that our revenue, market share and profitability will suffer as a result.
- **Input cost volatility.** A significant proportion of operating expenses is in non-local currency which therefore exposes the business to changes in both exchange rates. There is the risk that if we do not manage adequately the volatility of exchange rates, and other input costs, then this could result in increased costs and lead to margin erosion, impacting on our ability to achieve profit targets.
- **Business improvement opportunities.** The Group is heavily reliant on legacy systems, processes and structures which, in some cases, are outdated, complex and inefficient. If we do not address the systems' inefficiencies we may incur higher costs due to inefficiencies and impact our ability to optimise business performance and provide a value added service to our consumers.
- **Legal & regulatory compliance.** The Company operates in a highly-regulated environment, particularly in relation to consumer protection, tax, aviation and the environment. If we do not establish an effective system of internal control that ensures we operate in compliance with all legal and regulatory requirements, we will suffer negative impact, damage to our reputation and reduced revenues and/or higher input costs.
- **Health & Safety.** For all providers of holiday and travel services, ensuring the health and safety of customers is of paramount importance. There is the risk of accidents occurring causing injury or death to customers or colleagues whilst one of our holidays. This could result in reputational damage to the Company and/or financial liabilities through legal action being taken by the affected parties.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

- **Cyber security.** Our responsibility is to protect the confidentiality, integrity and availability of the data we have and the services we provide to our customers, our employees, our suppliers and service delivery teams. There is a risk that our increasing dependence on online sales and customer care channels increases our exposure and susceptibility to cyber-attacks and hacks. If we do not ensure we have the appropriate level of security controls in place across the Group, this could have a significant negative impact on our key stakeholders, associated reputational damage and potential for financial implications.
- **Talent management.** The Company's success depends on its ability to retain key management and it relies on having good relations with its colleagues. If we are unable to attract and retain talent, build future leadership capability and maintain the commitment and trust of our employees, we risk not maximising our operating results and financial performance.
- **Profitability of the Company's subsidiary and dividends received.** Dividends received from the Company's subsidiary are variable and the timing and amount of each dividend is dependent upon the long-term success and profitability of the subsidiary. Some of the Company's profits are generated by dividends received from its subsidiary, and so the Company's profitability from one year to another can therefore vary.
- **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.

During the year, the Directors managed these risks and uncertainties of the Company in co-ordination with its fellow subsidiaries within the Specialist Travel Sector of the Group, in conjunction with the management of these risks by the Directors of the ultimate parent undertaking, TUI AG. 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 in Note 24 of these financial statements

On behalf of the Board



S B M Cross
Director

Company Number 946385

Dated 29 June 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:

S B M Cross
C F Powell
M R Prior

Other Directors who served during the year were:

J Walter (resigned 18 December 2015)

Directors' insurance

Throughout the financial year until 14 June 2017, the previous ultimate parent company, TUI AG, maintained Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company. From 15 June 2017 up until the signing of these financial statements, Travelopia Holdings Limited maintained this insurance 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.

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 Report of the Directors 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, comprising FRS 101 "Reduced Disclosure Framework", 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 the 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, comprising FRS 101, 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.

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



S B M Cross
Director

Company Number 946385

Dated 29 June 2017

Report on the financial statements

Our opinion

In our opinion, Crown Blue Line 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 4 and 5, 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

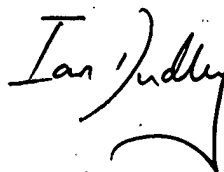
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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



Ian Dudley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
6 July 2017

Crown Blue Line Limited
Statement of total comprehensive income for the year ended 30 September 2016

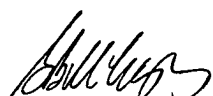
| | | Year ended 30 September 2016 | Year ended 30 September 2015 |
|---|------|------------------------------------|------------------------------------|
| | Note | £ | £ |
| Revenue | 7 | 11,905,257 | 10,669,397 |
| Cost of sales | | <u>(3,576,045)</u> | <u>(3,335,064)</u> |
| Gross profit | | 8,329,212 | 7,334,333 |
| Administrative expenses | | <u>(5,334,039)</u> | <u>(5,759,475)</u> |
| Operating profit | | 2,995,173 | 1,574,858 |
| Profit on disposal of fixed assets | | <u>4,257</u> | - |
| Profit on ordinary activities before interest and taxation | | 2,999,430 | 1,574,858 |
| Finance income | 8 | 783 | 2,278 |
| Finance expenses | 9 | <u>(20)</u> | <u>(2,668)</u> |
| Profit on ordinary activities before taxation | 10 | 3,000,193 | 1,574,468 |
| Tax expense | 12 | <u>(244,798)</u> | <u>(363,265)</u> |
| Profit for the financial year | | 2,755,395 | 1,211,203 |
| Total comprehensive income for the year attributable to owners of the parent | | <u>2,755,395</u> | <u>1,211,203</u> |

Crown Blue Line Limited
Balance sheet as at 30 September 2016

| | | 30 September 2016 | 30 September 2015 |
|--|-------------|------------------------------|------------------------------|
| | Note | £ | £ |
| Non-current assets | | | |
| Property, plant and equipment | 13 | 1,181,602 | 985,916 |
| Investments in subsidiaries | 14 | 41,874,125 | 41,874,125 |
| Trade and other receivables | 15 | 28,246 | 12,982 |
| | | 43,083,973 | 42,873,023 |
| Current assets | | | |
| Inventories | 16 | 520,575 | 488,416 |
| Trade and other receivables | 15 | 13,212,557 | 16,174,744 |
| Income tax – group relief recoverable | | 484,441 | 121,821 |
| Cash and cash equivalents | | 5,371,388 | 3,461,711 |
| | | 19,588,961 | 20,246,692 |
| Total assets | | 62,672,934 | 63,119,715 |
| Current liabilities | | | |
| Trade and other payables | 17 | (2,038,057) | (5,275,586) |
| Provisions for liabilities | 18 | (138,425) | (56,744) |
| | | (2,176,482) | (5,332,330) |
| Non-current liabilities | | | |
| Deferred tax liabilities | 19 | (225) | (721) |
| Provisions for liabilities | 18 | - | (45,832) |
| | | (225) | (46,553) |
| Total liabilities | | (2,176,707) | (5,378,883) |
| Net assets | | 60,496,227 | 57,740,832 |
| Equity | | | |
| Called up share capital | 21 | 44,979,379 | 44,979,379 |
| Share premium account | 22 | 162,665 | 162,665 |
| Profit and loss account | 22 | 15,354,183 | 12,598,788 |
| Total equity attributable to owners of the parent | | 60,496,227 | 57,740,832 |

The notes on pages 10 to 23 form part of these financial statements.

The financial statements on pages 7 to 23 were approved and authorised for issue by the Board of Directors on 29 June 2017 and signed on its behalf by:



S B M Cross
Director

Crown Blue Line Limited

Statement of changes in equity for the year ended 30 September 2016

| | Called up share capital £ | Share premium reserve £ | Profit and loss account £ | Total equity £ |
|---|--|--|--|-------------------------------|
| At 1 October 2014 | 44,979,379 | 162,665 | 11,387,585 | 56,529,629 |
| Total comprehensive income for the year | - | - | 1,211,203 | 1,211,203 |
| At 30 September 2015 | 44,979,379 | 162,665 | 12,598,788 | 57,740,832 |
| Total comprehensive income for the year | - | - | 2,755,395 | 2,755,395 |
| At 30 September 2016 | 44,979,379 | 162,665 | 15,354,183 | 60,496,227 |

1. General information

The Company is a private limited company incorporated and domiciled in England. The address of its registered office is Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD. The Company's registered number is 946385.

The principal activity of the Company continues to be that of a provider of inland waterways boating holidays operating this activity through branches located in France and the United Kingdom. During the year, the Company was a subsidiary within the TUI AG group of companies ("Group").

On 13 February 2017, the TUI AG announced that it had reached an agreement with private equity firm KKR to sell its Specialist Holiday Sector, the Travelopia Group of companies, of which the Company is part of. The deal completed on 15 June 2017 and the new ultimate controlling party of the Company is KKR and Co. LP on behalf of the funds under its management.

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.

These separate 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 can be found in Note 3.

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 ("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).

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

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").

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 | | | | |
| Property, plant and equipment | | 1,147,731 | - | 1,147,731 |
| Investments in subsidiaries | | 41,874,125 | - | 41,874,125 |
| Trade and other receivables | (A) | - | 14,192 | 14,192 |
| Deferred tax asset | (B) | - | 486 | 486 |
| | | <u>43,021,856</u> | <u>14,678</u> | <u>43,036,534</u> |
| Current assets | | | | |
| Inventories | | 549,875 | - | 549,875 |
| Trade and other receivables | (A),(B),(C) | 16,853,817 | (279,071) | 16,574,746 |
| Income tax – group relief recoverable | (C) | - | 264,393 | 264,393 |
| Cash and cash equivalents | | <u>1,477,650</u> | <u>-</u> | <u>1,477,650</u> |
| | | <u>18,881,342</u> | <u>(14,678)</u> | <u>18,866,664</u> |
| Total assets | | <u>61,903,198</u> | <u>-</u> | <u>61,903,198</u> |
| Current liabilities | | | | |
| Trade and other payables | | <u>(5,373,569)</u> | <u>-</u> | <u>(5,373,569)</u> |
| | | <u>(5,373,569)</u> | <u>-</u> | <u>(5,373,569)</u> |
| Total liabilities | | <u>(5,373,569)</u> | <u>-</u> | <u>(5,373,569)</u> |
| Net assets | (E) | <u>56,529,629</u> | <u>-</u> | <u>56,529,629</u> |
| Equity | | | | |
| Called up share capital | | 44,979,379 | - | 44,979,379 |
| Share premium reserve | | 162,665 | - | 162,665 |
| Profit and loss account | | <u>11,387,585</u> | <u>-</u> | <u>11,387,585</u> |
| Total equity attributable to owners of the parent | (E) | <u>56,529,629</u> | <u>-</u> | <u>56,529,629</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 | | | | |
| Property, plant and equipment | | 985,916 | - | 985,916 |
| Investments in subsidiaries | | 41,874,125 | - | 41,874,125 |
| Trade and other receivables | (A) | - | 12,982 | 12,982 |
| | | <u>42,860,041</u> | <u>12,982</u> | <u>42,873,023</u> |
| Current assets | | | | |
| Inventories | | 488,416 | - | 488,416 |
| Trade and other receivables | (A),(C) | 16,309,547 | (134,803) | 16,174,744 |
| Income tax – group relief recoverable | (C) | - | 121,821 | 121,821 |
| Cash and cash equivalents | | <u>3,461,711</u> | <u>-</u> | <u>3,461,711</u> |
| | | <u>20,259,674</u> | <u>(12,982)</u> | <u>20,246,692</u> |
| Total assets | | <u>63,119,715</u> | <u>-</u> | <u>63,119,715</u> |
| Current liabilities | | | | |
| Trade and other payables | | (5,275,586) | - | (5,275,586) |
| Provision for liabilities | (D) | - | (56,744) | (56,744) |
| | | <u>(5,275,586)</u> | <u>(56,744)</u> | <u>(5,332,330)</u> |
| Non-current liabilities | | | | |
| Deferred tax liabilities | (B) | - | (721) | (721) |
| Provision for liabilities | (B),(D) | (103,297) | 57,465 | (45,832) |
| | | <u>(103,297)</u> | <u>56,744</u> | <u>(46,553)</u> |
| Total liabilities | | <u>(5,378,883)</u> | <u>-</u> | <u>(5,378,883)</u> |
| Net assets | (E) | <u>57,740,832</u> | <u>-</u> | <u>57,740,832</u> |
| Equity | | | | |
| Called up share capital | | 44,979,379 | - | 44,979,379 |
| Share premium reserve | | 162,665 | - | 162,665 |
| Profit and loss account | | <u>12,598,788</u> | <u>-</u> | <u>12,598,788</u> |
| Total equity attributable to owners of the parent | (E) | <u>57,740,832</u> | <u>-</u> | <u>57,740,832</u> |

Notes to the reconciliation of equity

- (A) At 1 October 2014 a rent deposit of £14,192 previously shown within current trade and other receivables has been reclassified as non-current trade and other receivables as the deposit is due after more than one year. At 30 September 2015 the adjustment was £12,982.
- (B) Deferred tax assets and liabilities are required to be shown separately on the face of the balance sheet and classified as non-current in accordance with IAS 1. At 1 October 2014, £486 of existing deferred tax assets have been reclassified from current trade and other receivables to non-current deferred tax assets. At 30 September 2015, £721 of existing deferred tax liabilities have been reclassified from non-current provision of liabilities to non-current deferred tax liabilities.

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

Notes to the reconciliation of equity (continued)

- (C) IAS 1 requires income tax recoverable and payable to be presented on the face of the balance sheet. Accordingly, at 1 October 2014, £264,393 of income tax recoverable has been reclassified from current trade and other receivables to current income tax – group relief recoverable. This adjustment was £121,821 at 30 September 2015.
- (D) Previously under UK GAAP, all provisions were reported as non-current liabilities even if they were to be utilised within one year. Under FRS 101, £56,744 of non-current provisions for liabilities at 30 September 2015 has been re-classified to current provisions for liabilities. There was no adjustment at 1 October 2014.
- (E) There have been no adjustments to total equity at 1 October 2014 or 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.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at historical purchase cost, including any costs attributable to bringing an asset to its working condition for its intended use, less accumulated depreciation.

Depreciation is charged on a straight-line basis to the residual value over the estimated useful lives of the assets which are as follows:

| | |
|-------------------------------------|----------------------|
| Boats | 15 to 24 years |
| Short lease property | Over period of lease |
| Plant, equipment and motor vehicles | 3 to 10 years |

Useful lives are estimated taking into account the rate of technological change and intensity of use of the assets and are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Investments in subsidiaries

Investments are recognised at cost less accumulated impairment losses.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less estimated selling expenses. Where necessary, provision is made for obsolete, slow-moving or defective goods.

4. Summary of significant accounting policies (continued)

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.

Trade and other receivables

Trade and other receivables are amounts due from customers for services performed 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.

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. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost. Client monies at the balance sheet date relating to holidays commencing and flights departing after the year end is included in trade and other payables. If the date of departure is in one year or less they are classified as current liabilities, if not, they are presented as non-current liabilities.

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 of economic benefits will be required to settle the obligation and the amount has been reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability. The increase in the provision due to passage of time is recognised as a financial expense. If provisions is expected to be utilised in one year or less, they are classified as current liabilities, if not, they are presented as non-current liabilities.

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.

Revenue

The Company has one class of business acting as a provider of inland waterways boating holidays. Revenue originates solely from agents' commission, receivable by the Company in the ordinary course of business for the provision of holidays and associated services as principal. Revenue is measured at the fair value of the consideration received or receivable and is stated net of discounts and value added tax. The Company recognises revenue on the date of departure of the holiday and the related costs of distribution and of providing the holidays are charged to the statement of total comprehensive income on the same basis.

4. Summary of significant accounting policies (continued)

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.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Finance income and finance expense

Finance income recognised in the statement of total comprehensive income mainly comprises interest receivable on trading balances due from Group undertakings. Finance expense recognised in the statement of total comprehensive income mainly comprises interest expense on trading balances due to Group undertakings.

Current and deferred tax

The tax expense for the year comprises current and deferred 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.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same tax authority.

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 24. 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 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. |
| | 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, which in turn is dependent upon a variety of factors including prevailing economic conditions and consumer demand for that entity's products.

7. Revenue

Analysis of revenue by geography:

| | Year ended 30 September 2016 £ | Year ended 30 September 2015 £ |
|----------------------------|---|---|
| United Kingdom and Ireland | 1,762,892 | 1,487,541 |
| Rest of Europe | 8,153,001 | 7,178,915 |
| Rest of the World | 1,989,364 | 2,002,941 |
| | <u>11,905,257</u> | <u>10,669,397</u> |

8. Finance income

| | Year ended 30 September 2016 £ | Year ended 30 September 2015 £ |
|----------------------|---|---|
| Interest income | 783 | 2,278 |
| Total finance income | <u>783</u> | <u>2,278</u> |

9. Finance expense

| | Year ended 30 September 2016 £ | Year ended 30 September 2015 £ |
|-----------------------|---|---|
| Interest expense | 20 | 2,668 |
| Total finance expense | <u>20</u> | <u>2,668</u> |

10. Profit on ordinary activities before taxation

| | Year ended 30 September 2016 £ | Year ended 30 September 2015 £ |
|---|---|---|
| Profit on ordinary activities before taxation is stated after charging/(crediting): | | |
| Depreciation on property, plant and equipment (Note 13) | 214,807 | 206,795 |
| Provisions for liabilities (Note 18) | 35,849 | 102,576 |
| Operating lease charges – land and buildings (Note 20) | 341,049 | 253,806 |
| Operating lease charges – plant and machinery (Note 20) | 73,451 | 45,615 |
| Foreign exchange (gains) / losses | <u>(792,383)</u> | <u>335,120</u> |

Auditors' remuneration was as follows:

| | Year ended 30 September 2016 £ | Year ended 30 September 2015 £ |
|-----------------------------------|---|---|
| Fees for the audit of the Company | <u>29,000</u> | <u>29,000</u> |

In 2016 and 2015, the auditors' remuneration was borne and paid by the Company.

11. Employees and Directors

Employee costs for the Company during the year were:

| | Year ended 30 September 2016 £ | Year ended 30 September 2015 £ |
|-----------------------|---|---|
| Wages and salaries | 3,737,257 | 3,220,428 |
| Social security costs | 1,254,346 | 1,192,425 |
| Other pension costs | 1,454 | 465 |
| | <u>4,993,057</u> | <u>4,413,318</u> |

The pension costs relating to the Scheme, and charged to the statement of total comprehensive income, amounted to £1,454 (2015: £465). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The average number of persons (including Directors) employed by the Company during the year was:

| | Year ended 30 September 2016 Number | Year ended 30 September 2015 Number |
|------------------------|--|--|
| Administration | 34 | 31 |
| Engineers and boatyard | 128 | 125 |
| Management | 23 | 24 |
| | <u>185</u> | <u>180</u> |

Directors' remuneration

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.

12. Tax expense

The tax expense can be summarised as follows:

(i) Analysis of tax expense in the year

| | Year ended 30 September 2016 £ | Year ended 30 September 2015 £ |
|---|---|---|
| Current tax: | | |
| Current tax on profits for the year | 157 | - |
| Adjustment in respect of prior periods | - | 111 |
| Foreign tax suffered | 245,137 | 361,947 |
| Total current tax | <u>245,294</u> | <u>362,058</u> |
| Deferred tax: | | |
| Origination and reversal of temporary differences: | | |
| - current year | (471) | (309) |
| - adjustment in respect of previous periods | - | 1,508 |
| - effect of change in tax rate | (25) | 8 |
| Total deferred tax (Note 19) | <u>(496)</u> | <u>1,207</u> |
| Total tax expense in the statement of total comprehensive income | <u>244,798</u> | <u>363,265</u> |

12. Tax expense (continued)

(ii) Factors affecting the tax expense in the year

The tax expense (2015: expense) for the year ended 30 September 2016 is different to (2015: higher 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 on ordinary activities before taxation | 3,000,193 | 1,574,468 |
| Profit on ordinary activities multiplied by the effective standard rate of UK corporation tax of 20.0% (2015: 20.5%) | 600,039 | 322,766 |
| Effects of: | | |
| - Expenses not deductible for tax purposes | 201 | 370 |
| - Utilisation of tax losses | - | (8,442) |
| - Adjustment to tax charge in respect of previous periods | - | (3,639) |
| - Foreign tax suffered | 245,137 | 361,947 |
| - Tax rate changes | (25) | - |
| - Amounts not recognised | (155,246) | - |
| - Other differences | (7,602) | - |
| - Foreign branch exemption | (437,706) | (309,737) |
| Total tax expense in the statement of total comprehensive income | 244,798 | 363,265 |

(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. Therefore, at 30 September 2016, deferred tax assets and liabilities have been calculated based on rates of 19% and 17% where the temporary differences are expected to reverse after 1 April 2017 and 1 April 2020 respectively. These reductions may also reduce the Company's future current tax expenses accordingly.

Deferred tax assets have not been recognised in respect of capital and trading losses as there is insufficient evidence that the assets will be recovered. Further details can be seen in Note 19.

13. Property, plant and equipment

| | Boats £ | Plant, equipment and motor vehicles £ | Short leasehold property £ | Total £ |
|----------------------------------|----------------|---|-------------------------------------|------------------|
| Cost: | | | | |
| At 1 October 2015 | 487,550 | 1,876,298 | 843,997 | 3,207,845 |
| Exchange adjustment | 44,050 | 332,418 | 137,900 | 514,368 |
| Additions | - | 246,468 | 44,776 | 291,244 |
| Disposals | - | - | - | - |
| At 30 September 2016 | 531,600 | 2,455,184 | 1,026,673 | 4,013,457 |
| Accumulated depreciation: | | | | |
| At 1 October 2015 | 487,550 | 1,111,768 | 622,611 | 2,221,929 |
| Exchange adjustment | 44,050 | 248,994 | 102,075 | 395,119 |
| Charge for the year | - | 212,483 | 2,324 | 214,807 |
| At 30 September 2016 | 531,600 | 1,573,245 | 727,010 | 2,831,855 |
| Net book value: | | | | |
| At 30 September 2016 | - | 881,939 | 299,663 | 1,181,602 |
| At 30 September 2015 | - | 764,530 | 221,386 | 985,916 |

14. Investments in subsidiaries

| | Investments in subsidiary undertakings £ |
|---|---|
| Cost and net book value: | |
| At 30 September 2016 and 30 September 2015 | 41,874,125 |

List of investments in subsidiaries at 30 September 2016:

| Name of undertaking | Country of incorporation | Registered address | Share class | % held by directly by the Company | Total % held by Group Companies |
|-------------------------------|-----------------------------|--|-----------------------|---|---------------------------------------|
| Porter and Haylett Limited | United Kingdom | Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD | £1.00 Ordinary shares | 100 | 100 |

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. Trade and other receivables

| | 30 September 2016 | | 30 September 2015 | |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Non-current £ | Current £ | Non-current £ | Current £ |
| Amounts due from Group undertakings | - | 12,449,523 | - | 15,465,281 |
| Taxation and social security | - | - | - | 8,055 |
| Other receivables | - | 120,777 | - | 37,356 |
| Prepayments and accrued income | 28,246 | 642,257 | 12,982 | 664,052 |
| | 28,246 | 13,212,557 | 12,982 | 16,174,744 |

Amounts due from Group undertakings

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

16. Inventories

| | 30 September 2016 | 30 September 2015 |
|-----------------------------|----------------------|----------------------|
| | £ | £ |
| Boat spares and consumables | <u>520,575</u> | <u>488,416</u> |

Inventories are stated after provisions for impairment of £nil (2015:£nil).

17. Trade and other payables

| | 30 September 2016 | 30 September 2015 |
|-----------------------------------|----------------------|----------------------|
| | £ | £ |
| Trade payables | 234,597 | 207,851 |
| Amounts due to Group undertakings | 599,136 | 3,963,934 |
| Other payables | 590,276 | 514,718 |
| Accruals and deferred income | <u>614,048</u> | <u>589,083</u> |
| | <u>2,038,057</u> | <u>5,275,586</u> |

Amounts due to Group undertakings

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

18. Provisions for liabilities

Analysis of the movements during the year:

| | Restructuring £ |
|-----------------------------|-----------------------|
| At 1 October 2015 | 102,576 |
| Provided during the year | <u>35,849</u> |
| At 30 September 2016 | <u>138,425</u> |

| | 30 September 2016 | 30 September 2015 |
|---------------------|----------------------|----------------------|
| <i>Analysed as:</i> | | |
| - Non-current | - | 45,832 |
| - Current | <u>138,425</u> | <u>56,744</u> |
| | <u>138,425</u> | <u>102,576</u> |

Restructuring

The restructuring provision relates to costs associated with the closure of other club operations. This rationalisation will result in the loss of 15 jobs in total over the following 6 months. The provision is expected to be fully utilised by 30 June 2017.

19. Deferred tax assets and liabilities

| | 30 September 2016 | 30 September 2015 |
|--------------------------------|----------------------|----------------------|
| Deferred tax liabilities | £ | £ |
| Accelerated capital allowances | <u>225</u> | <u>721</u> |

Movements in deferred taxation during the current year are analysed as follows:

| | Accelerated capital allowances £ |
|---|---|
| At 1 October 2014 | (486) |
| Charged to the statement of total comprehensive income | <u>1,207</u> |
| At 30 September 2015 | 721 |
| (Credited) to the statement of total comprehensive income | <u>(496)</u> |
| At 30 September 2016 | <u>225</u> |

Accelerated capital allowances principally relate to timing differences in respect of property, plant and equipment.

Unrecognised deferred tax assets

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Company did not recognise deferred income tax assets as follows:

| | 30 September 2016 | | 30 September 2015 | |
|----------------|-------------------|-----------------------|-------------------|-----------------------|
| | Loss | Deferred tax asset | Loss | Deferred tax asset |
| | £ | £ | £ | £ |
| Trading losses | 1,427,895 | 257,021 | 2,204,125 | 440,825 |
| Capital losses | <u>99,305</u> | <u>17,875</u> | <u>99,305</u> | <u>19,861</u> |
| | <u>1,527,200</u> | <u>274,896</u> | <u>2,303,430</u> | <u>460,686</u> |

The assets will be recovered if there are sufficient trading and chargeable gains in the future against which to offset the losses.

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

20. Operating lease commitments

The Company's total obligations under non-cancellable operating lease contracts are payable as follows:

| | 30 September 2016 | 30 September 2015 |
|--|----------------------|----------------------|
| Land and buildings | £ | £ |
| No later than one year | 341,049 | 253,806 |
| Later than one year and no later than five years | 464,654 | 428,758 |
| Later than five years | <u>378,921</u> | <u>423,081</u> |
| | <u>1,184,624</u> | <u>1,105,645</u> |

20. Operating lease commitments (continued)

Operating lease commitments in respect of land and buildings comprise commitments in respect of property located in the UK and France.

| | 30 September 2016 £ | 30 September 2015 £ |
|--|---------------------------|---------------------------|
| Equipment | | |
| No later than one year | 73,451 | 45,615 |
| Later than one year and no later than five years | 141,822 | 64,311 |
| | <u>215,273</u> | <u>109,926</u> |

21. Called up share capital

| | 30 September 2016 £ | 30 September 2015 £ |
|---|---------------------------|---------------------------|
| Issued and fully paid | | |
| 44,979,379 (2015: 44,979,379) ordinary shares of £1.00 each | <u>44,979,379</u> | <u>44,979,379</u> |

22. Reserves

The following describes the nature and purpose of each reserve within equity:

| Reserve | Description and purpose |
|-------------------------|--|
| Share premium | Amount subscribed for share capital in excess of nominal value. |
| Profit and loss account | All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere. |

23. Post balance sheet events

On 13 February 2017, the TUI AG announced that it had reached an agreement with private equity firm KKR to sell its Specialist Holiday Sector, the Travelopia Group of companies, of which the Company is part of. The deal completed on 15 June 2017 and the new ultimate controlling party of the Company is KKR and Co. LP on behalf of the funds under its management.

24. Ultimate parent company and controlling party

At 30 September 2016, the Company was controlled by TUI AG, a company registered in Berlin and Hanover (Federal Republic of Germany), which was the ultimate parent company and controlling party. From 15 June 2017, the ultimate controlling party is KKR and Co. LP on behalf of the funds under its management.

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.