SUNSAIL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 30 September 2010

Company number 1239190

The Directors present their report and the audited financial statements of Sunsail Limited ("the Company") for the year ended 30 September 2010

Principal activity
The Company's principal activity during the year continued to be the promotion and provision of sailing and sailing club holidays

Results and dividends
The Company's profit on ordinary activities before taxation for the year ended 30 September 2010 was £7,788,000 (2009 £27,576,000 loss) No dividends were paid during the year (2009 £nil) and the Directors do not recommend the payment of a final dividend

Enhanced business review
In the year ended 30 September 2010, the Company operated sailing club and windsurfing resorts in Greece and Egypt

The year was one of consolidation after a period of disposals of Clubs in Turkey and Antigua The majority of exceptional restructuring provision which was incurred last year has been used in 2009/10 and, although an element has been retained for further costs expected, the Directors felt confident that £3,121,477 of the original provision will be released back to exceptional costs

The Directors continue to review the Company's operational structure with a view to improving its ability to respond successfully to challenging trading conditions and are exploring several development opportunities for future seasons

During the year, the Directors managed the risks and uncertainties of the Company in co-ordination with its fellow subsidiaries in the TUI Travel PLC group of companies ("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

- **Climate change risk** As a tour operator we use our Group's aircraft to take people on holidays around the world We recognise that operating in a carbon-intensive industry does have an effect on the environment The Group has a carbon management strategy to reduce the Group's greenhouse gas emissions from all divisions with the Group and is preparing for regulatory proposals on climate change

- **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

Enhanced business review (continued)

- **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 heavily 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.** General cost base increases together with unhedged foreign exchange rates and fuel prices have the potential to materially reduce margins The treasury function is managed centrally in the Group and supports the business activities and financial risks faced by the Company This support includes, inter alia, setting and monitoring hedging policies in the Group, centralising the Group's cash management systems, reporting and monitoring daily cash balances and forecasting cash requirements for the foreseeable future

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, 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

H W S Boulton	(appointed 28 February 2011)
P V Y Cochran	
J J G Grisdale	(appointed 28 February 2011)
D Mee	
C 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, reports, newsletters and notices describing the activities and performance of Group undertakings

Directors report (continued)

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 Due to the nature of the Company's operations, and common to the industry as a whole, payments are often made in advance of the provision of goods and services The Company has not calculated the average creditor settlement period as, due to the differing terms in force, any such average would not be meaningful

Directors' insurance
The intermediate parent Company, TUI Travel PLC, maintains Directors' & Officers' Liability insurance policies on behalf of the Directors of the Company

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

By Order of the Board

D Mee
Director

Company Number 1239190 | Dated 6 May 2011

Sunsail Limited
Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements for the year ended 30 September 2010

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

Report of the independent auditors to the members of Sunsail Limited

We have audited the financial statements of Sunsail Limited for the year ended 30 September 2010 set out on pages 6 to 16 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/UKNP

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 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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

P Alex Sanderson (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

16th May 2011

Sunsail Limited
Profit and loss account for the year ended 30 September 2010

	Note	Year ended 30 September 2010 £000	Year ended 30 September 2009 £000 £
Turnover	1, 2	**20,528**	28,247
Cost of sales		**(15,542)**	(47,727)
Gross profit		**4,986**	(19,480)
Distribution costs		**(531)**	(722)
Administrative expenses		**(1,731)**	(2,608)
Operating profit / (loss)	3	**2,724**	(22,810)
Interest receivable and similar income	5	**5,641**	88
Interest payable and similar charges	6	**(577)**	(4,854)
Profit / (loss) on ordinary activities before taxation		**7,788**	(27,576)
Tax on profit / (loss) on ordinary activities	7	**(2,243)**	7,134
Profit / (loss) for the financial year	20	**5,545**	(20,442)

The results stated above are all derived from continuing operations

A note on historical cost profits and losses has not been included as part of these financial statements as the results as disclosed in the profit and loss account are prepared on an unmodified historical cost basis

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

Sunsail Limited
Balance Sheet as at 30 September 2010

	Note	30 September 2010 £000	30 September 2009 £000
Fixed assets			
Intangible fixed assets	8	**10**	20
Tangible fixed assets	9	**863**	975
Investments	10	**-**	-
		873	995
Current assets			
Stocks	11	**490**	397
Debtors	12	**108,016**	109,289
Cash at bank and in hand		**13,951**	10,650
		122,457	120,336
Creditors: amounts falling due within one year	13	**(144,514)**	(139,273)
Net current liabilities		**(22,057)**	(18,937)
Total assets less current liabilities		**(21,184)**	(17,942)
Creditors: amounts falling due after more than one year	14	**(2,371)**	(2,371)
Provisions for liabilities and charges	17	**-**	(8,787)
Net liabilities		**(23,555)**	(29,100)
Capital and reserves			
Called up share capital	18	**66**	66
Profit and loss account	19	**(23,621)**	(29,166)
Equity shareholders' (deficit)	20	**(23,555)**	(29,100)

The notes on pages 8 to 16 form part of these financial statements

The financial statements were approved by the Board on 6 May 2011 and signed on their behalf by

D Mee
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 2010, the Company had net current liabilities and net liabilities

The accounts are prepared on the going concern basis as the immediate 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 represents the total amount, excluding Value Added Tax, invoiced by the Company in respect of services provided in the ordinary course of business and arises in the United Kingdom Revenue 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

Intangible assets
Goodwill arising on acquisitions (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised and amortised on a straight-line basis over its useful economic life which is determined to be 20 years

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

Yacht and dinghy fleet	2-15 years
Motor Vehicles	4 years
Club Leasehold improvements	Over period of lease
Office furniture and equipment	4 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 income statement

1. Accounting policies (continued)

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

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

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

Stocks are stated at the lower of cost and net realisable value and consist 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

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction or, where forward cover has been arranged, at the contractual rate Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date or at a contractual rate if applicable and any exchange differences arising are taken to the profit and loss account in the season to which the contract relates

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 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

Prior to the balance sheet date, 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) 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 2010, deferred tax assets and liabilities have been calculated based on a rate of 27%, where the temporary difference is expected to reverse after 1 April 2011

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 A further three reductions of 1% will follow annually, reducing the corporation tax rate to 23% from 1 April 2014 The impact of the future rate reductions will be accounted for to the extent that they are enacted at the balance sheet date, however it is estimated that this will not have a material effect on the Company

1. Accounting policies (continued)

Pensions

The Company participates in the Group Defined Contribution Pension Scheme Pension liabilities are charged to the profit and loss account as they fall due Further details of the Group Defined Contribution Pension Scheme can be found in the financial statements of TUI Travel PLC

2. Segmental analysis

The Company is principally engaged in the promotion and provision of sailing and sailing club holidays All turnover originates from the UK

3. Operating profit/ (loss)

Profit on ordinary activities before taxation is stated after charging/(crediting)	**Year ended 30 September 2010 £000**	Year ended 30 September 2009 £000
Depreciation – owned assets	**225**	964
Intangible amortisation	**10**	10
Loss on disposal of fixed assets	**3**	17
Operating lease rentals for land and buildings	**1,220**	747
Operating lease rentals for other	**33**	59
Restructuring costs / (credit)	**(2,882)**	14,541
Management charge	**62**	-

The exceptional restructuring provision which was incurred last year has been mostly used in 2009/10 and although an element has been retained for further costs expected, the Directors felt confident that £3,121,477 of the original provision, could be released back to exceptional costs This mainly consisted of lease rentals, where the liability has been curtailed

In 2010 and 2009, auditors' remuneration was borne by another Group company The audit fee relating to the Company was as follows

	Year ended 30 September 2010 £000	Year ended 30 September 2009 £000
Fees for the audit of the Company	**22**	22

Fees paid to the Company's auditors, KPMG Audit Plc, and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements This is on the basis that such non-audit fees are disclosed in the consolidated financial statements of the Company's intermediate parent, TUI Travel PLC

4. Employees' and Directors' remuneration

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

	Year ended 30 September 2010 Number	Year ended 30 September 2009 Number
Administration	30	47
Operations	95	109
	125	156

(ii) Staff costs for the above persons

	Year ended 30 September 2010 £000	Year ended 30 September 2009 £000
Wages and salaries	1,430	3,151
Social security costs	377	585
Other pension costs	9	16
	1,816	3,752

The Directors received no remuneration for their services to the Company (2009 £nil)

5. Interest receivable and similar income

	Year ended 30 September 2010 £000	Year ended 30 September 2009 £000
Receivable from Group companies	5,641	88

6. Interest payable and similar charges

	Year ended 30 September 2010 £000	Year ended 30 September 2009 £000
On bank loans and overdrafts	30	-
Payable to Group companies	557	3,632
Exchange Loss	(10)	1,222
	577	4,854

7. Taxation

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

	Year ended 30 September 2010 £000	Year ended 30 September 2009 £000
Current tax		
Amounts payable to / (receivable from) fellow subsidiaries for group relief	1,664	(6,909)
Overseas tax paid / payable	9	229
Adjustment in respect of previous periods	-	527
Total current tax	1,673	(6,153)
Deferred tax		
Origination and reversal of timing differences		
- current year	519	(726)
- effect of reduction in UK corporation tax rate from 28% to 27%	51	-
- adjustment in respect of previous periods	-	(255)
Total deferred tax	570	(981)
Tax charge / (credit) on profit / (loss) on ordinary activities	2,243	(7,134)

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

The current tax charge for the year (2009 credit) is lower (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	Year ended 30 September 2010 £000	Year ended 30 September 2009 £000
Profit / (loss) on ordinary activities before tax	7,788	(27,576)
Profit / (loss) on ordinary activities at the standard rate of UK corporation tax of 28% (2009 28%)	2,181	(7,721)
Effects of		
- Expenses not deductible for tax purposes	2	150
- Depreciation for year in excess of capital allowances	62	658
- Overseas Tax expensed under TA 1988 s805	-	(64)
- Foreign tax suffered	9	229
- Movement in short term timing differences	(581)	68
- Adjustment in respect of previous periods	-	527
Current tax charge / (credit) for year	1,673	(6,153)

(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 26% with effect from 1 April 2011(Note 1)

8. Intangible fixed assets

	Goodwill £000
Cost:	
As at 1 October 2009 and 30 September 2010	30
Accumulated amortisation:	
1 October 2009	10
Charge for the year	10
30 September 2010	20
Net book value :	
30 September 2010	**10**
30 September 2009	20

On 1 October 2008, the Company purchased the trade assets and liabilities of the Club Vass business from TUI UK Limited for the consideration of £30,000 The net book value of assets acquired was £nil, and hence goodwill of £30,000 arose The goodwill is being amortised over a three year period to match the term of the club lease

9. Tangible fixed assets

	Yacht and dinghy fleet £000	Motor Vehicles £000	Club leasehold improvements £000	Office furniture and equipment £000	Total £000
Cost					
1 October 2009	2,213	173	3,048	520	5,954
Additions	47	-	66	42	113
Disposals	(1,408)	(78)	(2,134)	-	(3,578)
30 September 2010	**852**	**95**	**980**	**562**	**2,489**
Depreciation					
1 October 2009	1,674	173	2,646	486	4,979
Charge for the year	50	-	152	23	225
Disposals	(1,417)	(78)	(2,122)	(39)	(3,578)
30 September 2010	**307**	**95**	**676**	**548**	**1,626**
Net book value					
30 September 2010	**545**	**-**	**304**	**14**	**863**
30 September 2009	539	-	402	34	975

10. Investment in principal subsidiary undertakings

The Company's two subsidiary undertakings are dormant and non-trading and therefore have not been listed The net book value of the investments is £nil (2009 £nil)

11. Stocks

	30 September 2010 £000	30 September 2009 £000
Raw materials and consumables	**490**	397

12 Debtors

	30 September 2010 £000	30 September 2009 £000
Amounts owed by Group undertakings	**94,203**	90,121
Amounts owed by fellow subsidiaries	**330**	60
Group relief receivable	**10,535**	12,199
Deferred tax asset (Note 15)	**1,386**	1,957
Other debtors	**4**	150
Prepayments and accrued income	**1,558**	4,802
	108,016	109,289

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

13. Creditors: amounts falling due within one year

	30 September 2010 £000	30 September 2009 £000
Trade creditors	**235**	220
Amounts due to Group undertakings	**46,289**	47,398
Amounts owed to fellow subsidiaries	**71,601**	67,397
Foreign tax payable	**9**	-
Taxation and social security	**102**	-
Client monies received in advance	**2,000**	1,971
Other creditors	**23,738**	22,287
	144,514	139,273

Amounts owed to Group undertakings bear interest, are unsecured and have no fixed date of repayment

14. Creditors: amounts falling due after more than one year

	30 September 2010 £000	30 September 2009 £000
Amounts owed to fellow subsidiaries	**2,371**	2,371

Amounts owed to fellow subsidiaries bear interest, are unsecured and have no fixed date of repayment

15. Deferred taxation

	£000
1 October 2009	1,956
Credited to the profit and loss account in the year (Note 7)	(570)
30 September 2010	**1,386**

The elements of deferred taxation are as follows

	30 September 2010 £000	£000
Accelerated capital allowances	**1,374**	1,363
Other short term timing differences	**12**	593
Net deferred tax asset	**1,386**	1,956

There are no other unprovided deferred tax liabilities or unrecognised deferred taxation assets at either 30 September 2010 or 30 September 2009

16. Operating lease commitments

At 30 September 2010, the Company had future annual commitments under non-cancellable operating leases which expire as follows

Land and buildings	30 September 2010 £000	30 September 2009 £000
Payable within one year	**723**	-
Payable within two to five years	**490**	-
	1,213	-

17. Provisions for liabilities and charges

	Restructuring £000
1 October 2009	8,787
Credited to the profit and loss account	(2,882)
Utilised during the year	(5,905)
30 September 2010	-

Provisions at 30 September 2009 relate to employee, property and other costs associated with the closure of the hotel club operations during the previous years

18. Share capital

	30 September 2010 £000	30 September 2009 £000
Issued and fully paid		
1,327,956 ordinary shares of £0 05 each	**66**	66

19. Reserves

	Profit and loss account £000
At 1 October 2009	(29,166)
Profit for the financial year	5,545
At 30 September 2010	**(23,621)**

20. Equity shareholders' deficit

	Share capital £000	Profit and loss account £000	Total £000
Opening shareholders' deficit	66	(29,166)	(29,100)
Profit for the financial year	-	5,545	5,545
Closing shareholders' deficit	**66**	**(23,621)**	**(23,555)**

21. 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

22 Contingent liabilities

The Company has given guarantees in respect of certain leasing obligations due by other Group companies No provision has been recorded at 30 September 2010 (2009 £nil)

23. 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 The intermediate holding company is TUI Travel PLC The immediate holding company is First Choice Marine 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 the website address www tui-group com