

Crown Holidays Limited

**Reports of the Directors and financial statements
for the year ended 30 September 2015**

Company number 1734244

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The Directors present their reports and the audited financial statements of Crown Holidays Limited ("the Company") for the year ended 30 September 2015.

STRATEGIC REPORT

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

Review of the business

The Company's direct and indirect trading subsidiaries are within the TUI AG Specialist & Activity Sector and comprise tour operator businesses specialising in boat hire. A list of the subsidiary undertakings is provided in note 5 of these financial statements.

Since the Company is an intermediate parent company, its business performance and key performance indicators are driven by both the underlying operating performance of its subsidiaries and the capital structure of the Company.

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

	Year ended 30 September 2015	Year ended 30 September 2014
	£'000	£'000
(Loss)/profit on ordinary activities before taxation	(10)	9
Net assets	16,403	16,411

The Company's loss on ordinary activities before taxation for the year ended 30 September 2015 was £10,000 (2014: profit £9,000). No dividend was paid during the year (2014: £nil) and the Directors do not recommend the payment of a final dividend.

In the year ended 30 September 2015, no dividends were received from its subsidiaries (2014: £nil).

At 30 September 2015, the Company had net assets of £16,403,000 (2014: £16,411,000).

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

The Directors consider the future outlook of the Company to be satisfactory.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are:

- **Profitability of the Company's subsidiaries and dividends received.** Dividends received from the Company's subsidiaries are variable and the timing and amount of each dividend is dependent upon the long-term success and profitability of each subsidiary. Since the majority of the Company's profits are generated by dividends received from its subsidiaries, the Company's profitability from one year to another can therefore vary significantly.
- **Recoverability of the carrying value of investments.** The Company provides capital to its subsidiary undertakings when necessary in order to promote their long-term development and success. The recoverability of each investment will depend upon this long-term success and the future cash flows that are expected to be generated by each subsidiary. To the extent that the future cash flows do not support the carrying value of the investment, an impairment is required to be recognised in the Company's profit and loss account.

STRATEGIC REPORT (continued)

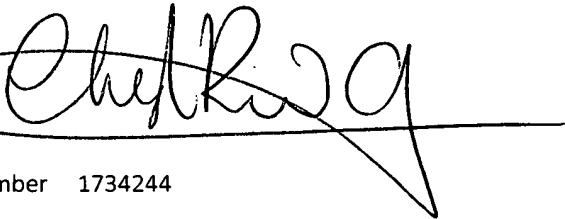
Principal risks and uncertainties (continued)

- **Capital structure and funding.** The Company is dependent upon access to funding in the form of capital from its immediate parent company, long-term interest-bearing loans from a fellow Group subsidiary and bank overdraft facilities. To the extent that funding of the Company is by way of long term loans, the profitability of the Company is dependent upon the rates of interest charged, which are periodically re-set to ensure they remain at market levels. An increase in market rates would therefore reduce the profitability of the Company.

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 and in conjunction with the management of the ultimate parent undertaking, TUI AG. Further information on these risks, together with how they are mitigated, can be found on pages 97-114 of the TUI AG Annual Report and Accounts, 2014/15. Details of where these financial statements can be obtained are in Note 12 of these financial statements.

On behalf of the Board

C F Powell
Director

A handwritten signature in black ink, appearing to read 'C F Powell', written over a horizontal line.

Company Number 1734244

Dated: 28 June 2016

DIRECTORS' REPORT

Directors

The Directors of the Company who were in office during the year and up to the date of signing this report are:

C F Powell

M R Prior

J Walter also served as a Director during the year and resigned on 18 December 2015.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

Directors' insurance

From 1 October 2014 to 11 December 2014, the intermediate parent company, TUI Travel PLC (now TUI Travel Limited), maintained Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company. Following the merger of TUI Travel PLC and TUI AG on 11 December 2014, until the date of approval of these financial statements, the ultimate parent company, TUI AG, maintained these insurance policies. These policies meet the Companies Act 2006 definition of a qualifying third party indemnity provision.

Statement of 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, future developments and post balance sheet events are included within the Strategic Report.

Funding and liquidity

The Directors have considered the funding and liquidity position of the Company. Following this review, the Directors consider it appropriate to continue to prepare the financial statements on the going concern basis.

Intention to adopt FRS 101

Following the publication by the Financial Reporting Council of FRS 100, 'Application of financial reporting requirements', the Company is permitted to adopt FRS 101, 'Reduced disclosure framework' ("FRS 101") as its accounting framework for the preparation of its entity financial statements for the financial year ending 30 September 2016.

The Directors of the Company consider that it is in the best interests of the Company and the TUI Group to adopt FRS 101 as its accounting framework for the financial year ending 30 September 2016 and hereby notifies its shareholder that it intends to do so.

As First Choice Marine Limited is the holder of all the issued shares of the Company, First Choice Marine Limited is entitled to serve an objection to the use of FRS 101 as the Company's accounting framework. Should First Choice Marine Limited choose to object to the use of FRS 101, objections should be made in writing to the Company's registered office address by no later than 30 September 2016.

On the basis that no objection is received, the Company's use of FRS 101 as the accounting framework is expected to remain in force for the foreseeable future or until the date that First Choice Marine Limited is no longer a shareholder of the Company.

DIRECTORS' REPORT (continued)

Statement of Directors' responsibilities

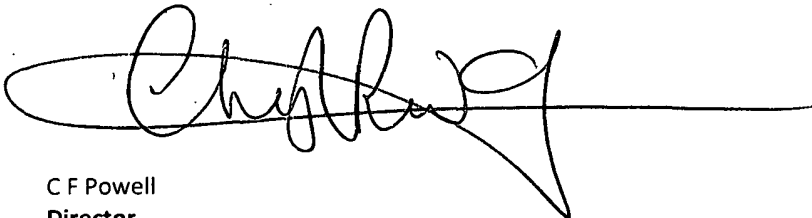
The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

On behalf of the Board

A handwritten signature in black ink, appearing to read 'C F Powell', is written over a horizontal line.

C F Powell
Director

Dated: 28 June 2016

Company Number: 1734244

Report on the financial statements

Our opinion

In our opinion, Crown Holiday 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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

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

- the balance sheet as at 30 September 2015;
- the profit and loss account 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 applicable law and United Kingdom Accounting Standards (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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

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 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) ("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

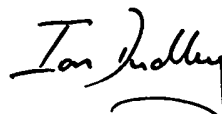
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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



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

30 June 2016

Crown Holidays Limited
Profit and loss account for the year ended 30 September 2015

		Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
	Note		
Administrative expenses		<u>(12)</u>	<u>(9)</u>
Operating loss		<u>(12)</u>	<u>(9)</u>
Loss on ordinary activities before interest		<u>(12)</u>	<u>(9)</u>
Interest receivable and similar income	3	<u>2</u>	<u>18</u>
(Loss)/profit on ordinary activities before taxation	2	<u>(10)</u>	<u>9</u>
Tax on (loss)/profit on ordinary activities	4	<u>2</u>	<u>(13)</u>
Loss for the financial year	9	<u><u>(8)</u></u>	<u><u>(4)</u></u>

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.

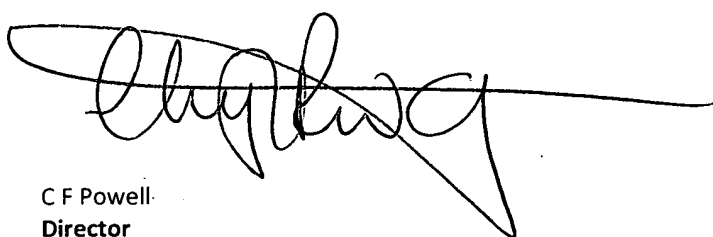
There are no recognised gains and losses other than those included in the profit and loss account. Accordingly, no statement of total recognised gains and losses is presented.

Crown Holidays Limited
Balance sheet as at 30 September 2015

		30 September 2015 £'000	30 September 2014 £'000
	Note		
Fixed assets			
Investments	5	<u>2,926</u>	<u>2,926</u>
		2,926	2,926
Current assets			
Debtors	6	14,028	13,150
Cash at bank and in hand		<u>77</u>	<u>2,876</u>
		14,105	16,026
Creditors: amounts falling due within one year	7	<u>(628)</u>	<u>(2,541)</u>
Net current assets		13,477	13,485
Total assets less current liabilities		<u>16,403</u>	<u>16,411</u>
Net assets		<u>16,403</u>	<u>16,411</u>
Capital and reserves			
Called up share capital	8	11,630	11,630
Share premium account	9	399	399
Capital redemption reserve	9	864	864
Profit and loss account	9	3,510	3,518
Total shareholders' funds	10	<u>16,403</u>	<u>16,411</u>

The notes on pages 8 to 12 form part of these financial statements.

The financial statements on pages 6 to 12 were approved by the Board of Directors on 28 June 2016 and signed on its behalf by:



C F Powell
Director

1. Accounting policies

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

Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with applicable United Kingdom accounting standards, the Companies Act 2006 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 financial statements. 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.

Taxation

Taxation comprises current and deferred tax. Current tax is the expected tax payable (or recoverable) for the current period using the average rate for the period, and any adjustment to tax payable in respect of previous periods.

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

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.

Foreign currencies

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.

Investments

Investments are stated at cost less provision for diminution in value. The carrying amounts of the Company's investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If such an indication exists, the investment's recoverable amount is estimated. An impairment loss is recognised in the profit and loss account whenever the carrying amount of an investment exceeds its recoverable amount.

2. (Loss)/profit on ordinary activities before taxation

In 2015 and 2014 auditors' remuneration was paid by another Group company. The allocated audit fee relating to the Company for 2015 and 2014 is as follows:

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Fees for the audit of the Company	<u>11</u>	<u>10</u>

The Company had no employees in either the current or the prior year.

The remuneration of the remaining Directors was paid by another Group company, which makes no recharge to the Company, and the Directors received no remuneration for their services to this Company (2014: £nil). The Directors are also directors of a number of Group companies. It is therefore not possible to make an accurate apportionment of their remuneration in respect of the Company and each of the fellow Group companies of which they are a Director.

3. Interest receivable and similar income

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Intercompany interest receivable	1	-
Bank interest receivable	1	18
	<u>2</u>	<u>18</u>

4. Tax on (loss) / profit on ordinary activities

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
(i) Analysis of tax (credit) / charge in year		
Current tax:		
Amount receivable from fellow subsidiaries for group relief	(2)	(2)
Adjustments in respect of prior periods	-	15
Total current tax	<u>(2)</u>	<u>13</u>
Tax (credit) / charge on (loss) / profit on ordinary activities	<u>(2)</u>	<u>13</u>

4. Tax on (loss) / profit on ordinary activities (continued)

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

The current tax credit (2014: charge) for the year is equal to (2014: higher than) the standard rate of corporation tax in the UK of 20.5% (2014: 22.0%). The differences are explained below:

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
(Loss)/profit on ordinary activities before taxation	(10)	9
(Loss)/profit on ordinary activities at the standard rate of UK corporation tax of 20.5% (2014: 22.0%)	(2)	2
Effects of:		
- Prior year losses utilised	-	(4)
- Adjustment in respect of prior periods	-	15
Current tax (credit) / charge for the year	(2)	13

(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.

Proposals to reduce the main UK corporation tax to 19% on 1 April 2017 and 17% on 1 April 2020 had not been substantively enacted at the balance sheet date and are therefore not included in these financial statements.

These reductions may reduce the Company's future current tax charge accordingly, however it has not yet been possible to quantify the full anticipated effect of the announced further rate reduction. Although this should further reduce the Company's future current tax charge and reduce the company's deferred tax assets/liabilities accordingly, it is estimated that this will not have a material effect on the Company.

A deferred tax asset has not been recognised in respect of timing differences relating to non-trading losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £54,000 (2014: £54,000). The asset will be recovered if there are sufficient taxable profits in future periods against which to offset this asset.

There are no other unprovided deferred tax liabilities or unrecognised deferred tax assets at either 30 September 2015 or 30 September 2014.

5. Investments

	Investments in subsidiary undertakings £'000
Cost:	
At 1 October 2014 and 30 September 2015	5,098
Impairment:	
At 1 October 2014	(2,172)
Provided during the year	-
At 30 September 2015	(2,172)
Net book value:	
At 30 September 2014 and 30 September 2015	2,926

Investment in principal subsidiary undertakings

The Company's wholly-owned subsidiaries, all of which have ordinary share capital, are set out below:

Name of undertaking	Country of incorporation	Share class	% held directly by the Company	Total % held by the Group
Crown Blue Line France SAS	France	€16.00 Ordinary shares	100	100
Crown Blue Line GmbH	Germany	€1.00 Ordinary shares	100	100

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

6. Debtors

	30 September 2015 £'000	30 September 2014 £'000
Amounts owed by Group undertakings	14,024	13,150
Group relief receivable	4	-
	<u>14,028</u>	<u>13,150</u>

Amounts owed by Group undertakings are unsecured, repayable on demand and interest free.

7. Creditors: amounts falling due within one year

	30 September 2015 £'000	30 September 2014 £'000
Amounts owed to Group undertakings	601	2,491
Group relief payable	-	34
Accruals and deferred income	27	16
	<u>628</u>	<u>2,541</u>

Amounts owed to Group undertakings are unsecured, repayable on demand and interest free.

8. Called up share capital

	30 September 2015 £'000	30 September 2014 £'000
Issued and fully paid		
23,260,911 (2014: 23,260,911) ordinary shares of £0.50 each	<u>11,630</u>	<u>11,630</u>

9. Reserves

	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000
1 October 2014	399	864	3,518
Loss for the financial year	-	-	(8)
30 September 2015	<u>399</u>	<u>864</u>	<u>3,510</u>

10. Reconciliation of movements in shareholders' funds

	30 September 2015 £'000	30 September 2014 £'000
1 October 2014	16,411	16,415
Loss for the financial year	(8)	(4)
30 September 2015	<u>16,403</u>	<u>16,411</u>

11. Related party transactions

The Company has taken advantage of the exemption contained in Financial Reporting Standard No. 8 "Related Party Disclosures" as it is a wholly-owned subsidiary of TUI AG. Therefore the Company has not disclosed transactions or balances with wholly-owned entities that form part of the Group headed by TUI AG. The Directors confirm that there are no other related party transactions which require disclosure.

12. Ultimate parent company

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

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