

Ski Bound Limited

Report and Financial Statements

for the year ended

30 September 2009

Company number 1873956



SKI BOUND LIMITED

Report of the Directors for the year ended 30 September 2009

The Directors submit their report and the audited financial statements of Ski Bound Limited ("the Company") for the year ended 30 September 2009

Principal activity

The Company's principal activity continues to be that of a tour operator

Results and dividends

The profit on ordinary activities before taxation for the year ended 30 September 2009 amounted to £1,889,000 (2008 profit of £5,000) There were no dividends paid during the year (2008 £nil) The Directors do not recommend the payment of a final dividend

Business Review

The ski holiday market during 2009 faced challenging trading conditions with increased competition from the internet and low cost carriers

The Company was profitable due in part to careful capacity management and control of overheads and this strategy will continue for the future The Directors believe that the Company is well equipped to face the fast-changing and challenging environment of 2010 and beyond

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 Directors review the Company's risks and uncertainties in the context of the Group 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 PLC Activity Sector The principal risks and uncertainties which are common to the Group and the Company are

- **Economic downturn** The current economic environment remains challenging The Directors consider that the Company has, within the context of the Group, appropriate planning processes in place to address this future uncertainty and the Directors continue to monitor the trading outlook carefully and take appropriate mitigating action
- **Geo-political events and natural disasters.** The nature of our business means that we are at risk of geo-political events or natural disasters It is for this reason that we ensure we operate with a flexible and efficient business model and minimise the reliance on any one destination
- **Commercial relationships.** We have well established and close relationships with our customers and suppliers and spread our 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 our 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 we have 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
- **Environmental risk.** As a tour operator we use aircraft to take people on holidays, sometimes to countries where tourism is just developing This does have an impact on the environment and we take our corporate and social responsibilities seriously at every level We work with the authorities and suppliers in the destinations we serve to ensure that any local environmental impact is minimised in the best interest of the indigenous population
- **Financial risk.** The treasury function is managed centrally in the Group and supports the business activities and financial risks faced by the Company The Directors identify, monitor and manage the financial risks faced by the Company including foreign exchange

SKI BOUND LIMITED**Report of the Directors for the year ended 30 September 2009 (continued)**

As the Directors manage the Company in co-ordination with the management of the TUI Travel PLC Activity Sector, 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 Activity Sector, which includes the Company, is discussed in the Business Performance Section within TUI Travel PLC's 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

Directors

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

M L Bush (appointed 16 April 2009)
I S Finlay
P C Hawkes (appointed 16 April 2009)
A L John
D Mee
P Williams (appointed 16 April 2009)

The following Directors also served during the year

B G Robinson (resigned 16 April 2009)
K M Watson (resigned 1 January 2009)

Policy and practice on payment of suppliers

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

Directors' insurance

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

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

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office

By order of the Board



P Williams
Director

29 April 2010
Company Number 1873956

SKI BOUND LIMITED

Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements for the year ended 30 September 2009

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.

SKI BOUND LIMITED

Report of the independent auditors to the members of Ski Bound Limited

We have audited the financial statements of Ski Bound Limited for the year ended 30 September 2009 set out on pages 5 to 18. 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 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 2009 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

KPMG Audit Plc
Chartered Accountants
8 Salisbury Square
London, EC4Y 8BB

30th April 2010

SKI BOUND LIMITED**Profit and loss account for the year ended 30 September 2009**

	Note	Year ended 30 September 2009 £'000	Year ended 30 September 2008 £'000
Turnover	1	18,704	19,741
Cost of sales		(14,948)	(15,989)
Gross profit		3,756	3,752
Administrative expenses		(2,257)	(3,747)
Operating profit		1,499	5
Profit on sale of fixed asset investments	8	411	-
Profit before interest and taxation		1,910	5
Interest payable and similar charges	5	(21)	-
Profit on ordinary activities before taxation	2	1,889	5
Tax (charge)/credit on profit on ordinary activities	6	(425)	126
Profit for the financial year	17	1,464	131

The results stated above are all derived from continuing operations

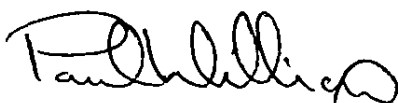
A note on historical cost profits and losses has not been included as part of these financial statements as the results as disclosed in the profit and loss account are prepared on an unmodified historical cost basis

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

SKI BOUND LIMITED
Balance sheet at 30 September 2009

	Note	30 September 2009 £'000	30 September 2008 £'000
Fixed assets			
Tangible assets	7	394	218
Investments	8	14,315	14,272
		<u>14,709</u>	<u>14,490</u>
Current assets			
Debtors	9	20,017	25,432
Cash at bank and in hand	10	-	6,944
		<u>20,017</u>	<u>32,376</u>
Creditors: amounts falling due within one year	12	(27,290)	(40,864)
Net current liabilities		<u>(7,273)</u>	<u>(8,488)</u>
Total assets less current liabilities		7,436	6,002
Creditors: amounts falling due after one year	13	(7,760)	(7,800)
Provision for liabilities and charges	14	(382)	(419)
Net liabilities		<u>(706)</u>	<u>(2,217)</u>
Capital and reserves			
Called up share capital	15	3,250	3,250
Profit and loss account	16	(3,956)	(5,467)
Shareholders' deficit - equity	17	<u>(706)</u>	<u>(2,217)</u>

The financial statements were approved by the Board on 29 April 2010, and signed on their behalf by



P Williams
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 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.

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 2009, the Company had net liabilities and net current liabilities

The accounts are prepared on the going concern basis as 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

Tangible fixed assets

Tangible fixed assets are stated at historic cost, less accumulated depreciation and provision for impairment

Depreciation is calculated on a straight-line basis at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life on the following annual bases

Motor vehicles	25%
Fixtures, fittings, equipment and skis	20% or 33 1/3%
Computer equipment	33 1/3%

Investments

Investments in subsidiary companies are stated at cost less provision for diminution in value

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

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 in the season to which the contract relates

Turnover

The Company has one class of business, namely acting as a tour operator. All turnover originates within the UK. Turnover is stated net of discounts and Value Added Tax. Revenue is recognised on the date of departure and the related costs of holidays and flights are charged to the profit and loss account on the same basis

1. Accounting policies (continued)**Dividends**

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved for payment

Client money received in advance

Client money received at the balance sheet date relating to holidays commencing and flights departing after the year end is included in creditors

Operating leases

Rentals payable under operating leases are charged to the profit and loss on a straight line basis over the period of the lease

Marketing and other direct sales costs

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

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation arising from past events and it is probable that an outflow of economic benefits will be required to settle the obligation

Pensions

The Company participates in the Group defined contribution 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

FRS20: Share-based payments

FRS 20 requires the Company to recognise the cost of share-based remuneration of its employees, notwithstanding that the liability for the settlement rests with the Company's intermediate parent entity, TUI Travel PLC

Where the Company's intermediate parent grants rights to its equity instruments to the Company's employees, which are accounted for as equity-settled in the consolidated accounts of the parent, the Company accounts for these share-based payments as equity-settled. Where the Company grants rights to its parent's equity instruments to the Company's employees, which are accounted for as equity-settled in the consolidated accounts of the parent, the Company accounts for these share-based payments as cash-settled.

2 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging / (crediting)

	Year ended 30 September 2009 £'000	Year ended 30 September 2008 £'000
Depreciation of tangible fixed assets	125	57
Other operating lease rentals – land and buildings	138	83
Other operating lease rentals – other	67	67
Exchange gains	(204)	(5)
Loss on disposal of fixed assets	3	-
	<hr/>	<hr/>

SKI BOUND LIMITEDNotes forming part of the financial statements for the year ended 30 September 2009 (*continued*)**2 Profit on ordinary activities before taxation (continued)****Auditors' remuneration**

In 2009 and 2008, auditors' remuneration was borne by another group company. The audit fee relating to the Company was as follows:

	Year ended 30 September 2009 £'000	Year ended 30 September 2008 £'000
Fees for the audit of the Company	14	14

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 accounts of the Company's intermediate parent, TUI Travel PLC.

3 Staff costs

Staff costs (including Directors' remuneration)

	Year ended 30 September 2009 £'000	Year ended 30 September 2008 £'000
UK wages and salaries	2,210	1,693
Overseas wages and salaries	-	88
Social security costs	208	192
Other pension costs	109	80
	<u>2,527</u>	<u>2,053</u>

The average monthly number of employees, including Directors, during the year was

	Year ended 30 September 2009 Number	Year ended 30 September 2008 Number
Selling	19	17
Administration and operations	51	45
Overseas	-	5
	<u>70</u>	<u>67</u>

Share awards

Certain employees of the Company are eligible to participate in share award schemes established by the Company's intermediate parent entity, TUI Travel PLC. The principal share award scheme which is designed to link remuneration to the future performance of the group headed by TUI Travel PLC is the Performance Share Plan ("PSP"). The features of the scheme are set out below.

3 Staff costs (continued)**Performance Share Plan ("PSP")**

The Performance Share Plan ("PSP") allows eligible participants to receive share awards, subject to the satisfaction of performance conditions, set by the TUI Travel PLC Remuneration Committee ("the Committee"), which are normally measured over a three-year period. Awards are normally made annually.

For awards made during the year, no shares will vest unless the annual average of the ratio of the Group's consolidated return on invested capital ("ROIC") to the Group's weighted average cost of capital ("WACC") meets or exceeds 1 over the three-year period.

If the ROIC/WACC hurdle is met, shares will only vest to the extent to which two further performance conditions are satisfied over the three-year period as follows:

Up to half of the shares will vest based on growth in the Group's earnings per share ("EPS"), before amortisation of goodwill and business combination intangibles, goodwill impairment and separately disclosed items, in relation to the growth in the UK Retail Prices Index ("RPI") as shown in the table below:

Average annual EPS growth in excess of RPI growth	Proportion of shares vesting
Below 4%	0%
Between 4% and 13%	On a straight-line basis between 10% and 100%
13% or above	100%

Up to half of the shares will vest based on the Group's ranking of Total Shareholder Return ("TSR") performance relative to companies ranked 30th to 100th by market capitalisation as at the date of the award as shown in the table below:

TSR ranking	Proportion of shares vesting
Below median	0%
Between median and upper quartile	On a straight-line basis between 15% and 100%
At or above upper quartile	100%

Awards under the Performance Share Plan lapse if the performance conditions are not met.

The Committee considers that EPS and TSR are the key performance conditions that are most relevant to the Group. EPS is a key indicator of the Group's underlying financial performance whilst TSR is a relative measure of shareholder value creation. A hurdle of ROIC, being at least equal to WACC, is used to ensure that the relevant long-term incentive awards pay out only when shareholder value is being created over the performance periods.

At 30 September 2009 the awards allocated and outstanding in respect of ordinary shares, were as follows:

	Number of shares	Maturity Date
Performance Share Plan	43,823	19 December 2010
	6,924	13 February 2010
	34,932	28 November 2011
	85,679	

SKI BOUND LIMITED**Notes forming part of the financial statements for the year ended 30 September 2009 (continued)****3 Staff costs (continued)**

The number of share awards at the beginning and end of the year is as follows

	Number of awards 2009	Number of awards 2008
Outstanding at beginning of the year	-	-
Employees transferring from other group companies	50,747	-
Forfeited during the year	-	-
Vested during the year	-	-
Allocated during the year	34,932	-
Outstanding at the end of the year	85,679	-

The fair value of services received in return for shares awarded during the year is measured by reference to the fair value of the shares awarded. The fair value at the date of award during the year has been estimated using a binomial methodology for all schemes except where there is a market-based performance condition attached to vesting, in which case a Monte Carlo simulation was used. The principal assumptions required by these methodologies were:

Information relating to fair values of shares awarded	2009
Fair value at measurement date	£1.34 - £1.82
Share price	£2.05
Expected volatility	44.9%
Award life	3 years
Expected dividends	3.8%
Risk free interest rate	2.73%

Participants are not entitled to dividends prior to vesting. Expected volatility is based on historical volatility adjusted for changes to future volatility indicated by publicly available information. Shares were awarded under a service condition.

Employee expenses for the year relating to share-based schemes are:

	Year ended 30 September 2009 £'000	Year ended 30 September 2008 £'000
Shares awarded in 2007	26	-
Shares awarded in 2008	5	-
Shares awarded in 2009	16	-
	47	-

SKI BOUND LIMITEDNotes forming part of the financial statements for the year ended 30 September 2009 (*continued*)**3 Staff costs (continued)**

The future estimated expense for share award schemes outstanding at the balance sheet date is

	30 September 2009 £'000	30 September 2008 £'000
To be incurred within one year	46	-
To be incurred after more than one year	27	-
	<u>73</u>	<u>-</u>

4 Directors' remuneration

For the year ended 30 September 2009, some of the Directors of the Company were remunerated by other group companies (2008 all Directors) The amounts disclosed below relate to those Directors whose remuneration was borne directly by the Company

	Year ended 30 September 2009 £'000	Year ended 30 September 2008 £'000
Directors' remuneration	472	-
Pension contributions	18	-
	<u>490</u>	<u>-</u>

The aggregate emoluments of the highest paid Director was £231,002 (2008 £Nil), and Company pension contributions of £2,860 (2008 £Nil) were made to a money purchase scheme on his behalf

The number of Directors with benefits accruing under money purchase pension schemes during the year was 5 (2008 2)

The number of Directors with benefits accruing under long term incentive schemes for qualifying service during the year was 2 (2008 2)

5 Interest payable and similar charges

	Year ended 30 September 2009 £'000	Year ended 30 September 2008 £'000
Interest payable – group company	21	-

SKI BOUND LIMITEDNotes forming part of the financial statements for the year ended 30 September 2009 (*continued*)**6. Taxation****i) Analysis of tax charge/(credit) in year**

	Year ended 30 September 2009 £'000	Year ended 30 September 2008 £'000
Current tax		
UK corporation tax on profit for the year	235	19
Adjustment in respect of previous years	338	(114)
Total current tax charge/(credit)	573	(95)
Deferred tax		
Origination and reversal of timing differences		
- current year UK	164	(17)
- adjustment in respect of previous years	(312)	(14)
Total deferred tax (Note 9)	(148)	(31)
Tax charge/(credit) on profit on ordinary activities	425	(126)

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

The current tax charge (2008 (credit)) for the year is higher (2008 higher) than the standard rate of corporation tax in the UK of 28% (2008 29%). The differences are explained below

	Year ended 30 September 2009 £'000	Year ended 30 September 2008 £'000
Profit on ordinary activities before tax	1,889	5
Profit on ordinary activities at the standard rate of UK Corporation tax of 28% (2008 29%)	529	1
Effects of		
- (Income not taxable)/expenses not deductible for tax purposes	(130)	1
- Adjustment to tax charge/(credit) in respect of previous periods	338	(114)
- Depreciation in excess of capital allowances	51	17
- Movement in short term timing differences	(14)	-
- Utilisation of tax losses	(201)	-
Current tax charge/(credit) for year	573	(95)

(iii) Factors affecting the future tax charge

The rate of taxation is expected to follow the standard rate of UK corporation tax of 28% in future periods

SKI BOUND LIMITED

Notes forming part of the financial statements for the year ended 30 September 2009 (continued)

7. Tangible fixed assets

	Motor vehicles £'000	Fixtures, fittings, equipment & skis £'000	Computer equipment £'000	Total £'000
Cost				
At 1 October 2008	54	244	160	458
Additions	-	113	244	357
Disposals	(7)	(40)	(33)	(80)
At 30 September 2009	47	317	371	735
Depreciation				
At 1 October 2008	16	160	64	240
Charged in the year	12	50	63	125
Eliminated on disposals	(4)	(1)	(19)	(24)
At 30 September 2009	24	209	108	341
Net book value				
At 30 September 2009	23	108	263	394
At 30 September 2008	38	84	96	218

8. Investments

	Shares in group undertakings £'000
Cost and net book value at 1 October 2008	14,272
Additions	59
Disposals	(16)
Cost and net book value at 30 September 2009	14,315

During the year the Company recorded the disposal of its shareholding in First Choice (France) SAS generating a profit on disposal of £410,772

SKI BOUND LIMITED

Notes forming part of the financial statements for the year ended 30 September 2009 (continued)

8. Investments (continued)

The principal operating subsidiaries are listed below. They operate mainly in the countries of incorporation or registration. The investments are in equity share capital and they are all 100% directly owned by Ski Bound Limited unless stated otherwise.

Principal operating subsidiary	Principal activity	Country of incorporation or registration if outside UK	Note
Francotel Ltd	Holding company		
Le Piolet SCI	Hotel operator	France	(a)
Travelbound European Tours Limited	Holding company		
Molay Travel SCI	Hotel operator	France	(b)
Skibound Holidays Limited	Provision of transport services		
Ski Alpine Ltd	Tour operator		
CHS Tour Services GmbH	Tour operator	Austria	
CHS Tour Services Limited	Provision of accommodation packages		(c)

(a) Owned through Francotel Ltd

(b) Owned through Travelbound European Tours Limited

(c) Owned through CHS Tour Services GmbH

9. Debtors

	30 September 2009 £'000	30 September 2008 £'000
Trade debtors	62	-
Deposits for accommodation and other services	367	561
Amounts owed by group companies	18,497	23,406
Deferred tax asset (Note 11)	205	57
Other debtors	16	142
VAT recoverable	66	25
Group relief receivable	436	1,009
Prepayments and accrued income	368	232
	<u>20,017</u>	<u>25,432</u>

10. Cash at bank and in hand

	30 September 2009 £'000	30 September 2008 £'000
Restricted funds	-	6,944
	<u>-</u>	<u>6,944</u>

SKI BOUND LIMITED

Notes forming part of the financial statements for the year ended 30 September 2009 (continued)

11. Deferred tax asset

The movement in deferred taxation during the year was

	30 September 2009	30 September 2008
	£'000	£'000
At 1 October	57	26
Credited in the year (Note 6)	148	31
At 30 September	205	57

The elements of deferred taxation are as follows

	30 September 2009	30 September 2008
	£'000	£'000
Fixed asset timing differences	108	57
Other short term timing differences	97	-
At 30 September (Note 9)	205	57

There are no other unrecognised deferred tax assets or unprovided deferred tax liabilities at either 30 September 2009 or 30 September 2008

12. Creditors: amounts falling due within one year

	30 September 2009	30 September 2008
	£'000	£'000
Bank overdraft	8,720	28,538
Trade creditors	668	809
Client money received in advance	3,847	3,637
Amounts owed to group companies	13,208	6,832
Accruals	523	982
Other creditors	324	66
	27,290	40,864

13. Creditors: amounts falling due after one year

	30 September 2009	30 September 2008
	£'000	£'000
Amounts owed to subsidiary undertakings	7,760	7,800

SKI BOUND LIMITED

Notes forming part of the financial statements for the year ended 30 September 2008 (*continued*)

14. Provisions for liabilities

	Onerous lease provision £	Dilapidations provision £	Other provisions £	Total £
At 1 October 2008	208	160	51	419
Utilised during the year	(26)	-	(11)	(173)
At 30 September 2009	182	160	40	382

The onerous lease costs are expected to be incurred over the next 1 to 7 years. Hotel dilapidations costs are expected to be incurred over the next 1 to 3 years. The other provisions are expected to be incurred over the next year.

15. Called up share capital

	30 September 2009 £	30 September 2008 £
<i>Authorised</i>		
300,000 'A' ordinary shares of £1 each	300,000	300,000
3,700,000 ordinary shares of £1 each	3,700,000	3,700,000
	4,000,000	4,000,000
<i>Issued and fully paid</i>		
167,502 'A' ordinary shares of £1 each	167,502	167,502
3,082,501 ordinary shares of £1 each	3,082,501	3,082,501
	3,250,003	3,250,003

16. Profit and loss account

	30 September 2009 £'000
At 1 October 2008	(5,467)
Profit for the year	1,464
Share-based payment	47
Loss at 30 September 2008	(3,956)

SKI BOUND LIMITEDNotes forming part of the financial statements for the year ended 30 September 2009 *(continued)***17. Reconciliation of movements in shareholders' funds**

	Year ended 30 September 2009 £'000	Year ended 30 September 2008 £'000
Opening shareholders' deficit	(2,217)	(2,348)
Profit for the financial year	1,464	131
Share-based payment	47	-
Closing shareholders' deficit	(706)	(2,217)

All shareholders' funds relate to equity interests

18. Related party transactions

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

19. Capital and other commitments

a) Capital commitments

There was no capital expenditure authorised or contracted for at the balance sheet date (2008: £nil)

b) Lease commitments

The minimum annual rentals under non-cancellable operating leases are as follows

	Land and buildings 30 September 2009 £	Other 30 September 2009 £	Land and buildings 30 September 2008 £	Other 30 September 2008 £
Expiry within two to five years inclusive	160	67	160	67

20. Ultimate parent undertaking

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 parent undertaking is First Choice Holidays 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 TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex RH10 9QL. 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.