

Travelmood Limited
Directors' report and financial statements
for the year ended 30 September 2011
Company number 1934932

WEDNESDAY



A165XT5E

A05

04/04/2012

#155

COMPANIES HOUSE

Travelmood Limited
Report of the Directors for the year ended 30 September 2011

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

Principal activity

The Company's principal activity during the year continued to be that of a travel agent and tour operator

Results and dividends

The Company's loss on ordinary activities before taxation for the year ended 30 September 2011 was £57,000 (2010 £4,492,200) No dividends were paid during the year (2010 £nil) and the Directors do not recommend the payment of a final dividend During the year the Company was acquired by TUI Travel SAS Holdings Limited a fellow subsidiary within the TUI Travel PLC group of companies ("the Group")

Business review

The recession has caused both increasing unemployment and feelings of job insecurity which has led to a shortening in the lead time between booking and departing on holiday from the UK market In addition, pay freezes and cuts have meant that customers are increasingly focused on value when booking their holidays In the prior year, the Company took the decision to close its retail outlets and concentrate on sales driven by the call centres and its website

Principal risks and uncertainties

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

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

Enhanced business review (continued)

- **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 the Company's margin. 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.

The future outlook continues to be challenging and we see little indication that the economic environment will improve in the near future. We are well positioned and will utilise economies of scale along with innovative technological improvements to continue to outperform the market.

Funding and liquidity

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

Directors

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

R C Bainbridge	(appointed 7 March 2012)
D Mee	
C J Parselle	(appointed 1 November 2010)
M R Prior	(appointed 1 November 2010)
J Wimbeldon	

Other Directors who served during the year were

D McGraynor	(resigned 1 December 2010)
I D Simkins	(resigned 27 October 2010)

Disabled employees

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

Employee involvement

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

Political and charitable contributions

During the year the company made no charitable contributions greater than £2,000 (2010 £nil)

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.

Independent auditors

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

Directors' insurance

The intermediate parent company, TUI Travel PLC, maintains Directors' & Officers' Liability insurance policies on behalf of the Directors of the Company. These policies meet the 2006 Companies Act definition of a qualifying third party indemnity provision.

Statement as to disclosure of information to auditors

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

Statement of Directors' responsibilities

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

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

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

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

By Order of the Board



D Mee
Director

Company Number 1934932

Dated 22 March 2012

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Rosemary Shapland

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

Dated *22 March 2012*

Travelmood Limited
Profit and loss account for the year ended 30 September 2011

		Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
	Note		
Turnover		40,307	55,831
Cost of sales		(34,909)	(47,728)
Gross profit		5,398	8,103
Administrative expenses		(5,271)	(10,238)
Operating profit/(loss)		127	(2,135)
Interest receivable		4	-
Interest payable and similar charges	4	(188)	(373)
Exceptional restructuring costs	2	-	(1,984)
Loss on ordinary activities before taxation	2	(57)	(4,492)
Tax on loss on ordinary activities	5	979	103
Profit / (loss) for the financial year	15	922	(4,389)

The results stated above are all derived from continuing operations

There are no material differences between the loss on ordinary activities before taxation and the profit / (loss) for the financial years stated above and their historical cost equivalents

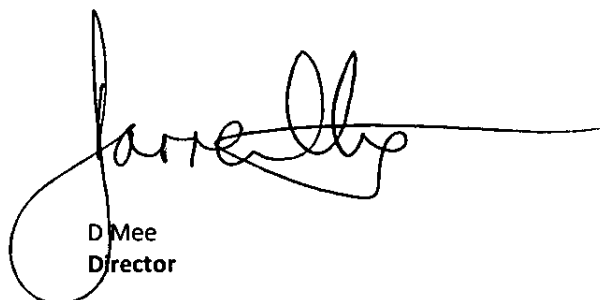
The Company has no recognised gains or losses other than those included in the profit and loss account. Accordingly, no statement of total recognised gains and losses is presented

Travelmood Limited
Balance sheet as at 30 September 2011

		30 September 2011 £'000	30 September 2010 £'000
	Note		
Fixed assets			
Intangible assets	6	325	487
Tangible assets	7	-	391
		<u>325</u>	<u>878</u>
Current assets			
Debtors	8	14,819	15,066
Cash at bank and in hand		517	812
		<u>15,336</u>	<u>15,878</u>
Creditors amounts falling due within one year	9	<u>(22,516)</u>	<u>(20,456)</u>
Net current liabilities		(7,180)	(4,578)
Total assets less current liabilities		<u>(6,855)</u>	<u>(3,700)</u>
Creditors amounts falling due after one year	10	(-)	(2,342)
Provisions for liabilities	13	(1,074)	(2,809)
Net liabilities		<u>(7,929)</u>	<u>(8,851)</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	15	(8,029)	(8,951)
Total shareholders' deficit	16	<u>(7,929)</u>	<u>(8,851)</u>

The notes on pages 7 to 14 form part of these financial statements

The financial statements were approved by the Board on 22 March 2012 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

Basis of preparation

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

Cash flow

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

Going concern

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

The financial statements are prepared on the going concern basis as the intermediate parent company, TUI Travel PLC, has agreed to provide financial support to the Company in order that it can continue to trade and meet its liabilities as they fall due, for as long as the Company remains a member of the Group

Turnover

Turnover 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

Turnover is stated net of discounts. Turnover 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

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

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 2-5 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

Short leaseholds	over period of lease
Plant and Machinery	15% Reducing Balance

Useful lives are estimated taking into account the rate of technological change and intensity of use of the assets. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

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

1. Accounting policies (continued)

Provisions

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

Pensions

The Company's employees participate in Group defined contribution pension schemes. Pension liabilities are paid by another Group company. A management charge is made by fellow Group companies to cover the Company's share of such operating costs.

Further details of the Group Defined Contribution Pension Scheme can be found in the financial statements of TUI Travel PLC.

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.

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.

Foreign currency translation and financial instruments

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

Taxation

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, 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.

The UK Government announced a phased reduction in the main UK corporation tax rate from 28% to 24%, with the first 1% reduction taking effect from 1 April 2011 (and substantively enacted on 20 July 2010). On 23 March 2011, the UK Government announced an additional 1% reduction in the main UK corporation tax rate to 26% taking effect from 1 April 2011. A further three reductions of 1% will follow annually, reducing the corporation tax rate to 23% from 1 April 2014.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the rates that have been enacted or substantively enacted at the balance sheet date. Therefore, at 30 September 2011, deferred tax assets and liabilities have been calculated based on a rate of 25% (which was substantively enacted on 5 July 2011), where the temporary difference is expected to reverse after 1 April 2012. No account will be taken of the further 2% reduction in main UK corporation tax rate, but it is estimated that this will not have a material effect on the Company.

2. Loss on ordinary activities before taxation

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Operating profit / (loss) is stated after charging / (crediting)		
Depreciation – owned assets	-	131
Intangible amortisation	162	172
Operating lease rentals for land and buildings	677	671
Exchange (gains)/losses	(323)	197
Exceptional cost of sales	-	194
Exceptional restructuring cost	-	1,984
Management charge	110	171

In the prior year the exceptional restructuring cost comprises a provision for the closure of the Travelmood shops

The 2011 auditors' remuneration was borne by another Group company. It has not been possible to separately identify the audit fee related to this entity

3. Employees' and Directors' remuneration

Staff costs for the company during the year were

	30 September 2011 £'000	30 September 2010 £'000
Wages & Salaries	1,887	3,735
Social Security Costs	207	350
Other Pension Costs	37	80
	2,131	4,165

The average monthly number of persons (including directors) employed by TUI UK Limited but working on behalf of the company during the year were

	30 September 2011 Number	30 September 2010 Number
Selling and distribution	47	48
Administration	33	113
	80	161

Certain directors received total remuneration of £38,194 for their services to the Company (2010 £42,193). 2010 remuneration includes exit costs for a director

The remuneration of the remaining three Directors was paid by another Group company, which makes no recharge to the Company, and the Directors received no remuneration for their services as Directors of the Company. These three Directors are also directors of a number of companies within the Group. It is therefore not possible to make an apportionment of their remuneration in respect of the Company and each of the Group companies for which they are a Director.

4. Interest payable and similar charges	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Intercompany loans	188	337
Bank loans and overdrafts	-	36
	<u>188</u>	<u>373</u>

5. Tax on loss on ordinary activities

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

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Current tax		
Amounts receivable from fellow subsidiaries for group relief	(50)	-
Adjustment in respect of previous periods	(982)	221
Total current tax	<u>(1,032)</u>	<u>221</u>
Deferred tax		
Origination and reversal of timing differences		
- current year	35	(78)
- effect of reduction in UK corporation tax rate	23	13
- adjustment in respect of previous periods	(5)	(259)
Total deferred tax	<u>53</u>	<u>(324)</u>
Total tax credit on loss on ordinary activities	<u>(979)</u>	<u>(103)</u>

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

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

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Loss on ordinary activities before tax	(57)	(4,492)
Loss on ordinary activities at the standard rate of UK corporation tax of 27% (2010 28%)	(15)	(1,258)
Effects of		
- Expenses not deductible for tax purposes	45	192
- Income not taxable	(14)	-
- Depreciation for year in excess of capital allowances	-	70
- Losses not utilised	-	988
- Other short term timing differences	(35)	8
- Adjustment in respect of previous periods	(982)	221
- Utilisation of tax losses	(31)	-
Current tax (credit) / charge for year	<u>(1,032)</u>	<u>221</u>

5. Tax on loss on ordinary activities (continued)

(iii) Factors affecting the future tax credit

After taking in to account unrecognised tax losses carried forward, 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. As discussed in the accounting policies, the statutory rate of UK corporation tax is reduced to 25% with effect from 1 April 2012.

6 Intangible assets

	Goodwill £'000
Cost	
At 1 October 2010 and 30 September 2011	<u>830</u>
Accumulated amortisation:	
At 1 October 2010	343
Charge for the year	<u>162</u>
At 30 September 2011	<u>505</u>
Net book value :	
At 30 September 2011	<u>325</u>
At 30 September 2010	<u>487</u>

Goodwill of £830,000 arose on the acquisition of the trade and assets of Trips Worldwide Limited, Magic of the Orient Limited and Austravel Limited. The goodwill relating to Trips Worldwide Limited and Magic of the Orient Limited is written off over 2 years. The goodwill relating to Austravel Limited is written off over 5 years.

7. Tangible assets

	Short leasehold Land and Buildings £'000	Plant and Machinery £'000	Total £'000
Cost:			
At 1 October 2010	351	1,194	1,545
Disposals	<u>(351)</u>	<u>(1,194)</u>	<u>(1,545)</u>
At 30 September 2011	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated depreciation:			
At 1 October 2010	176	978	1,154
Depreciation on disposal	<u>(176)</u>	<u>(978)</u>	<u>(1,154)</u>
At 30 September 2011	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 30 September 2011	<u>-</u>	<u>-</u>	<u>-</u>
At 30 September 2010	<u>175</u>	<u>216</u>	<u>391</u>

Travelmood Limited
Notes to the financial statements for the year ended 30 September 2011

8. Debtors	30 September 2011 £'000	30 September 2010 £'000
Trade debtors	160	172
Amounts owed by Group undertakings	3,397	41
Group relief receivable	1,249	217
Deferred tax asset (Note 11)	295	348
Other debtors	102	1,365
Prepayments and accrued income	9,616	12,923
	14,819	15,066

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

9. Creditors: amounts falling due within one year	30 September 2011 £'000	30 September 2010 £'000
Trade creditors	371	125
Amounts owed to Group undertakings	7,557	581
Payments received on account	13,209	17,963
Accruals and deferred income	1,379	1,787
	22,516	20,456

Within amounts owed to Group undertakings is £2,431,000 which is unsecured, interest bearing at 6-month Libor applicable at the date of inception plus 125 basis points this was repaid in full in December 2011. The remaining balance is interest free, unsecured and repayable on demand

10 Creditors amounts falling due after one year	30 September 2011 £'000	30 September 2010 £'000
Amounts due to Group undertakings	-	2,342

Amounts owed to Group undertakings comprise an intercompany loan from a fellow subsidiary, TUI UK Limited, which is unsecured, interest bearing chargeable at 6-month Libor applicable at the date of inception plus 125 basis points and was due for repayment on 31 March 2012. This was repaid in full in December 2011.

11. Deferred taxation	£'000
At 1 October 2010	348
Charged to the profit and loss account in the year (Note 5)	(53)
At 30 September 2011	295

The elements of deferred taxation are as follows

	30 September 2011 £'000	30 September 2010 £'000
Fixed asset timing differences	295	319
Other short term timing differences	-	29
Net deferred tax asset in debtors (Note 8)	295	348

11. Deferred taxation (continued)

As at 30 September 2011, a deferred tax asset has not been recognised in relation to trading losses of £1,082,544 (2010 £2,229,825) as the Directors are not certain of any profits that might arise in the future

A deferred tax asset has not been recognised in respect of timing differences relating to capital losses of £69,698 (2010 £75,274) as there is insufficient evidence that the asset will be recovered

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

12. Operating lease commitments

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

	30 September 2011 £'000	30 September 2010 £'000
Land and buildings		
Within one year	-	7
Within two to five years	324	231
After five years	129	439
	<u>453</u>	<u>677</u>

At 30 September 2011, £280,636 of the commitment in 2011 (2010 £621,000) has been provided for fully

13. Provisions for liabilities

	Restructuring £'000	Lease provision £'000	Other £'000	Total £'000
At 1 October 2010	341	1,033	1,435	2,809
Transfer between provisions	366	(435)	69	-
Utilised during the year	(311)	(77)	(1,347)	(1,735)
At 30 September 2011	<u>396</u>	<u>521</u>	<u>157</u>	<u>1,074</u>

A provision of £521,303 (2010 £1,033,271) covers all of the remaining lease and service charges of the old Blomfield Street head office (London). Another provision of £395,701 (2010 £341,065) covers restructuring costs including redundancies, shop refits and consultancy and integration costs. A further provision of £156,712 (2010 £1,435,000) relates to costs associated with the closure of the shops

14. Called up share capital

	30 September 2011 £'000	30 September 2010 £'000
Issued and fully paid		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>

15 Profit and loss account	£'000
1 October 2010	(8,951)
Profit for the financial year	922
30 September 2011	<u>(8,029)</u>

16. Reconciliation of movement in shareholders' deficit

	30 September 2011 £'000	30 September 2010 £'000
Opening shareholders' deficit	(8,851)	(4,462)
Profit / (loss) for the financial year	922	(4,389)
Closing shareholders' deficit	<u>(7,929)</u>	<u>(8,851)</u>

17. 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 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.

18. Ultimate parent company

The Company is a subsidiary undertaking of TUI AG – a company registered in Berlin and Hanover (Federal Republic of Germany) which is the ultimate parent company and controlling party. The immediate holding company is TUI Travel SAS Holdings Limited.

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

Copies of the TUI Travel PLC financial statements are available from the Company Secretary TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex RH10 9QL or from the website www.tuitravelplc.com. Copies of the TUI AG financial statements are available from Investor Relations, TUI AG, Karl-Wiechert-Allee 4, D-30625, Hanover or from the website www.tui-group.com.