Travelmood Limited

Reports of the Directors and financial statements

for the year ended 30 September 2015

Company number 1934932

The Directors present their reports and the audited financial statements of Travelmood 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 tour operator within the TUI AG group of companies ("the Group").

Review of the business

The Company's profit on ordinary activities before taxation for the year ended 30 September 2015 was £297,000 (2014: £262,000 profit). The Directors are unable to recommend the payment of a final dividend (2014: nil).

Revenue and gross margin has decreased compared to the previous year. This was in part driven by the strategic initiative of moving away from selling Flight Only packages to focusing on higher margin packages (Flights & Accommodation). This has meant a reduction in passenger volumes but has allowed our brand Austravel to have a solid foundation to grow its margin per passenger in future years.
We have also restructured our Call Centre function during the year which resulted in closing our Liverpool office and we now work with an office in Leeds and a base of home workers. This has helped reduce the call centre cost base but still allow the resource flexibility we need.

The strategic initiative mentioned above, as well as a continued review of the overhead costs, has contributed to generating the profit for the year. The balance sheet shows an increase in the cash position, reduction in debtors due to lower prepayments at the year end date and a decrease in creditors driven by intercompany balances.

The treasury function is managed centrally by TUI AG and supports the business activities and financial risks faced by the Company. This includes setting and monitoring hedging policies, centralising the cash management systems, reporting and monitoring daily cash balances and forecasting cash requirements for the foreseeable future.

Key Performance Indicators

To understand the development, performance and positioning of the Company's business, there are certain Key Performance Indicators (KPIs) that are measured and monitored. The main KPIs are:

	Year ended		Year ended
	30 September 2015		30 September 2014
	No/£000		No/£000
Number of Passengers	**13,101**		13,422
Turnover	**26,509**		27,937
Margin per passenger	**0.327**		0.337

Principal risks and uncertainties

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

- **Destination disruption risk.** Providers of holiday and travel services are exposed to the inherent risk of incidents affecting some countries or destinations within their operations. This can include natural catastrophes such as hurricanes or tsunamis; outbreaks of disease such as Ebola; political volatility as has been seen in Egypt and Greece in recent years; the implications of war in countries close to our source markets and destinations; and terrorist events such as the tragic incident in Tunisia this year.
- **Consumer demand.** Spending on travel and tourism is discretionary and price sensitive. The economic outlook remains uncertain with different destinations at different points in the recovery cycle. Consumers are also waiting longer to book their trips in order to assess their financial situation. If we do not respond successfully to changes in consumer demands and preferences, our short-term growth rates and margins will fall below expectations.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

- **Input cost volatility.** A significant proportion of operating expenses is in non-local currency which therefore exposes the business to changes in exchange rates. There is the risk that if we do not manage adequately the volatility of exchange rates, and other input costs, then this could result in increased costs and lead to margin erosion, impacting on our ability to achieve profit targets.
- **Consumer preferences and desires.** The tourism industry is fast-paced and competitive with the emergence of new market participants operating new business models, combined with consumer tastes and preferences evolving all the time. In recent years there has been an emergence of successful substitute business models such as web-based travel and hotel portals which allow end users to combine the individual elements of a holiday trip on their own and book them separately. Consumer tastes and preferences have evolved in recent years as well, with more consumers booking their holidays online and via mobiles and tablets, and booking closer to the time of travel. There is the risk that if we do not respond adequately to such business model disruption or if our products and services fail to meet changing customer demands and preferences, that our turnover, market share and profitability will suffer as a result.
- **Business improvement opportunities.** The Group is heavily reliant on legacy systems, processes and structures which, in some cases, are outdated, complex and inefficient. If we do not address the systems' inefficiencies we may incur higher costs due to inefficiencies and impact our ability to optimise business performance and provide a value added service to our consumers.
- **Legal & regulatory compliance.** The Company operates in a highly-regulated environment, particularly in relation to consumer protection, tax, aviation and the environment. If we do not establish an effective system of internal control that ensures we operate in compliance with all legal and regulatory requirements, we will suffer negative impact, damage to our reputation and reduced revenues and/or higher input costs.
- **Health & Safety.** For all providers of holiday and travel services, ensuring the health and safety of customers is of paramount importance. There is the risk of accidents occurring causing injury or death to customers or colleagues whilst on one of our holidays. This could result in reputational damage to the Company and/or financial liabilities through legal action being taken by the affected parties.
- **Cyber security.** Our responsibility is to protect the confidentiality, integrity and availability of the data we have and the services we provide to our customers, our employees, our suppliers and service delivery teams. There is a risk that our increasing dependence on online sales and customer care channels increases our exposure and susceptibility to cyber-attacks and hacks. If we do not ensure we have the appropriate level of security controls in place across the Group, this could have a significant negative impact on our key stakeholders, associated reputational damage and potential for financial implications.
- **Talent management.** The Company's success depends on its ability to retain key management and it relies on having good relations with its colleagues. If we are unable to attract and retain talent, build future leadership capability and maintain the commitment and trust of our employees, we risk not maximising our operating results and financial performance.

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 17 of these financial statements.

On behalf of the Board

M R Prior
Director
Dated: 21 March 2016

DIRECTORS' REPORT

Directors

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

C Gardner (appointed 30 October 2014)
M R Prior

C J Parselle also served during the year and resigned on 31 October 2014.

Business review

A fair review of the business, including an analysis of the development, performance and financial position of the Company, together with key performance indicators and a description of the principal risks and uncertainties facing the Company, has been included within the Strategic Report.

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.

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. Please also refer to Note 1.

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(s) that it intends to do so.

As TUI Travel SAS Holdings Limited is the holder of all of the issued shares of the Company, TUI Travel SAS Holdings Limited is entitled to serve an objection to the use of FRS 101 as the Company's accounting framework. Should TUI Travel SAS Holdings 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 TUI Travel SAS Holdings 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, 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; 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

M R Prior
Director

Company Number 1934932

Dated: 21 March 2016

Report on the financial statements

Our opinion

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

What we have audited

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

- the balance sheet as at 30 September 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.

Rosemary Shapland

Rosemary Shapland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
21 March 2016

	Note	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Turnover		**26,509**	27,937
Cost of sales		**(22,222)**	(23,416)
Gross profit		**4,287**	4,521
Administrative expenses		**(3,998)**	(4,266)
Operating profit		**289**	255
Other interest receivable and similar income	5	**8**	7
Profit on ordinary activities before taxation	2	**297**	262
Tax on profit on ordinary activities	6	**(60)**	(45)
Profit for the financial year	14	**237**	217

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.

	Note	30 September 2015 £'000	30 September 2014 £'000
Current assets			
Debtors	8	**9,681**	10,891
Cash at bank and in hand		**601**	441
		10,282	11,332
Creditors: amounts falling due within one year	9	**(16,852)**	(17,884)
Net current liabilities		**(6,570)**	(6,552)
Total assets less current liabilities		**(6,570)**	(6,552)
Provisions for liabilities	12	**(136)**	(395)
Net liabilities		**(6,706)**	(6,947)
Capital and reserves			
Called up share capital	13	**100**	100
Profit and loss account	14	**(6,806)**	(7,047)
Total shareholders' deficit	15	**(6,706)**	(6,947)

The notes on pages 8 to 14 form part of these financial statements.

The financial statements on pages 6 to 14 were approved by the Board on 21 March 2016 and signed on their behalf by:

M R Prior
Director
Company Number 1934932

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 the Companies Act 2006 and 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 2015, the Company had net current liabilities and net liabilities. The financial statements are prepared on the going concern basis as the ultimate parent company, TUI AG, 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. This support will continue for a period of at least 12 months from the date of approval of these financial statements.

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. 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.

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.

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 cash flows 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 the Group Defined Contribution Pension Scheme. 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.

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.

1. Accounting policies (continued)

Foreign currency translation and financial instruments
Transactions in foreign currencies are translated at the exchange rate 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.

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

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.

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, (now TUI Travel Limited).

TUI Travel PLC, (now TUI Travel Limited), operates a number of equity-settled, share-based long-term incentive schemes. The fair value of the employee services received in exchange for the award of the equity instruments is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the equity instruments awarded, excluding the impact of any non-market vesting conditions (for example, profitability and earnings per share targets). Non-market vesting conditions are included in assumptions about the number of instruments that are expected to vest. At each balance sheet date, the Company revises its estimates of the number of instruments that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity.

2. Profit on ordinary activities before taxation

	Year ended 30 September 2015	Year ended 30 September 2014
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging:		
Operating lease rentals for land and buildings	**110**	179
Management charge	**237**	115

2. Profit on ordinary activities before taxation (continued)

In 2014 and 2015 the 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	31	25
Fees payable to the Company's auditors for other services	2	2

3. Employees' Information

Employee costs for the Company during the year were:

	30 September 2015 £'000	30 September 2014 £'000
Wages and salaries	1,439	1,401
Social security costs	142	126
Share-based payment	4	7
Other pension costs	57	54
	1,642	1,588

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 2015 Number	30 September 2014 Number
Selling and distribution	27	30
Administration	33	27
	60	57

4. Directors' remuneration

Two directors (2014: two) received total remuneration of £20,297 for their services to the Company (2014: £20,321). The remuneration of the remaining Director is borne by a fellow Group subsidiary which makes no recharge to the Company. The Director is also Director of a number of fellow Group subsidiaries. It is therefore not possible to make an accurate apportionment of his remuneration in respect of each of the fellow Group subsidiaries of which he is a Director.

The details of Directors' remuneration are as follows:

	30 September 2015 £'000	30 September 2014 £'000
Directors' remuneration	19	19
Pension contributions	1	1
	20	20

5. Other interest receivable and similar income

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Interest receivable	8	7
	8	7

6. Tax on profit on ordinary activities

(i) Analysis of tax charge in the year

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Current tax:		
Amounts payable to fellow subsidiaries for group relief	-	2
Adjustments in respect of previous years	(1)	(61)
Total current tax	(1)	(59)
Deferred tax:		
Origination and reversal of timing differences:		
- current year	62	57
- effect of reduction in UK corporation tax rate	(2)	(5)
- adjustments in respect of previous years	1	52
Total deferred tax (note 10)	61	104
Total tax charge on profit on ordinary activities	60	45

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

The current tax credit (2014: credit) for the year is different to (2014: different to) the standard rate of corporation tax in the UK of 20.5% (2014: 22%). The differences are shown below:

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Profit on ordinary activities before taxation	297	262
Profit on ordinary activities at the standard rate of UK corporation tax of 20.5% (2014: 22%)	61	58
Effects of:		
- Expenses not deductible for tax purposes	1	2
- Other short term timing differences	-	(14)
- Utilisation of tax losses	(62)	(44)
- Adjustments in respect of previous years	(1)	(61)
Current tax for the year	(1)	(59)

(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.

7. Intangible assets

	Goodwill
	£'000
Cost:	
At 1 October 2014 and 30 September 2015	**830**
Accumulated amortisation:	
At 1 October 2014 and 30 September 2015	**830**
Net book value :	
At 30 September 2015	**-**
At 30 September 2014	-

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.

8. Debtors

	30 September 2015	30 September 2014
	£'000	£'000
Trade debtors	**268**	145
Amounts owed by Group undertakings	**1,206**	1,354
Group relief receivable	**174**	173
Deferred tax asset (Note 10)	**762**	823
Other debtors	**43**	59
Prepayments and accrued income	**7,228**	8,337
	9,681	10,891

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

9. Creditors: amounts falling due within one year

	30 September 2015	30 September 2014
	£'000	£'000
Trade creditors	**185**	424
Amounts owed to Group undertakings	**5,789**	6,723
Payments received on account	**9,952**	10,206
Accruals and deferred income	**926**	531
	16,852	17,884

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

10. Deferred tax

The movement in deferred taxation during the year was:	**£'000**
At 1 October 2014	823
Charged to the profit and loss account in the year (Note 6)	(61)
At 30 September 2015	**762**

The elements of deferred taxation are as follows:

	30 September 2015	30 September 2014
	£'000	£'000
Tax losses	**524**	586
Fixed asset timing differences	**238**	237
Net deferred tax asset in debtors (Note 8)	**762**	823

10. Deferred tax (continued)

A deferred tax asset has not been recognised in respect of timing differences relating to capital losses of £55,759 (2014: £55,759) as there is insufficient evidence that the asset will be recovered. The asset would be recovered if there were sufficient chargeable gains in the future against which to offset the losses.

There are no other unrecognised deferred tax assets nor unprovided deferred tax liabilities at either 30 September 2015 or 30 September 2014.

11. Operating lease commitments

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

	30 September 2015 £'000	30 September 2014 £'000
Land and buildings		
Within one year	-	29
Within two to five years	**96**	129
	96	158

12. Provisions for liabilities

	Lease provision £'000
At 1 October 2014	395
Released during the year	(220)
Utilised during the year	(39)
At 30 September 2015	**136**

A provision of £135,866 (2014: £395,227) covers all of the remaining lease and service charges of the old Blomfield Street head office (London).

13. Called up share capital

	30 September 2015 £'000	30 September 2014 £'000
Issued and fully paid		
100,000 (2014: 100,000) ordinary shares of £1 each	**100**	100

14. Profit and loss account

	£'000
At 1 October 2014	(7,047)
Profit for the financial year	237
Share-based payment	4
At 30 September 2015	**(6,806)**

15. Reconciliation of movements in shareholders' deficit

	30 September 2015 £'000	30 September 2014 £'000
Profit for the financial year	237	217
Share-based payment	4	7
Net reduction to shareholders' deficit	**241**	224
Opening shareholders' deficit	(6,947)	(7,171)
Closing shareholders' deficit	**(6,706)**	(6,947)

16. 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.

17. Ultimate parent company and controlling party

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 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.