

**Falcon Leisure Group (Overseas) Limited**  
**Reports of the Directors and financial statements**  
**for the year ended 30 September 2015**  
**Company number 2220337**

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The Directors present their reports and the audited financial statements of Falcon Leisure Group (Overseas) Limited ("the Company") for the year ended 30 September 2015.

## **STRATEGIC REPORT**

### **Principal Activity**

The Company's principal activity during the year continued to be that of a tour operator in the Republic of Ireland.

### **Review of the business**

The Company's profit on ordinary activities before taxation for the year ended 30 September 2015 was £601,000 (2014: profit £320,000) and includes the write off of intercompany receivables of £145,000 that were no longer recoverable (Note 3). No dividends were paid during the year (2014: £nil) and the Directors do not recommend the payment of a final dividend (2014: £nil).

The travel and tourism market in the Republic of Ireland has had a good year with underlying Euro revenue increasing (see Licensable turnover below), although adverse movements in the Euro/Sterling exchange rate have reduced the impact of this to a modest turnover growth of 1% (2014: 10%) from the previous year. Despite the demand for our unique holiday experiences remaining stable, the profit on ordinary activities before taxation closed at £601,000 (2014: £320,000), although this is after recognising a provision of £105,000 relating to Dilapidation for a property that is no longer required by the business (Note 10). The Directors believe that the outlook for 2016 and beyond is for continued and enhanced profitability and ongoing growth.

The treasury function is managed centrally in the TUI AG Group of companies (the "Group") and supports the business activities and financial risks faced by the Company. This support includes 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. The cash flows of the Company are managed centrally by the TUI UK & Ireland tour operator businesses, as are relationships with principal suppliers.

### **Licensable turnover**

Licensable turnover, as defined by the Commission for Aviation Regulation, is £52,628,393 (2014: £52,034,869) and is the conversion into sterling of the underlying Euro value of €65,703,001 (2014: €61,433,386). All turnover in the current and prior year is licensable turnover.

### **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.

**Principal risks and uncertainties (continued)**

- **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.
- **Input cost volatility.** A significant proportion of operating expenses is in non-functional currency which therefore exposes the business to changes in both 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.
- **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.

**Principal risks and uncertainties (continued)**

- **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.
- **Capital structure and funding.** The Company is dependent upon access to funding in the form of capital from its immediate parent company and bank overdraft facilities. To the extent that funding of the Company is by way of bank overdraft facilities, the profitability of the Company is dependent upon the rates of interest charged. An increase in interest rates would therefore reduce the profitability of the Company.

During the year, the Directors managed these risks and uncertainties of the Company in co-ordination with its fellow subsidiaries in the Group and the Directors of the ultimate parent undertaking, TUI AG. Further information on these risks, together with how these are mitigated, can be found on pages 103 -111 of the TUI AG Annual report and Accounts, 2014/15. Details of where these financial statements can be obtained are in Note 16 of these financial statements.

On behalf of the Board



J G Devereux  
Director

Dated: 20 January 2016

## **DIRECTORS' REPORT**

### **Directors**

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

J G Devereux

A Flintham

J Gubbay (appointed 15 September 2015)

R Scully

### **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 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.

### **Funding and liquidity**

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

### **Intention to adopt FRS 101**

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

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

As First Choice Overseas Holdings Limited ("FCOHL") is the holder of all of the issued shares of the Company, FCOHL is entitled to serve an objection to the use of FRS 101 as the Company's accounting framework. Should FCOHL 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 FCOHL is no longer a shareholder of the Company.

**Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Reports of the Directors 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



J G Devereux  
**Director**

Company Number: 2220337

Dated: 20 January 2016

## Report on the financial statements

### Our opinion

In our opinion, Falcon Leisure Group (Overseas) 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 and cash flows 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;
- the cash flow statement 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 Reports of the Directors 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 5, 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.



Deshan Karunaratne (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans  
21 January 2016

**Falcon Leisure Group (Overseas) Limited**  
**Profit and loss account for the year ended 30 September 2015**

		<b>Year ended 30 September 2015 £'000</b>	<b>Year ended 30 September 2014 £'000</b>
	<b>Note</b>		
<b>Turnover</b>	<b>2</b>	<b>52,628</b>	<b>52,035</b>
Cost of sales		<b>(49,951)</b>	<b>(50,164)</b>
<b>Gross profit</b>		<b>2,677</b>	<b>1,871</b>
Administrative expenses		<b>(2,019)</b>	<b>(1,551)</b>
<b>Profit on ordinary activities before interest</b>	<b>3</b>	<b>658</b>	<b>320</b>
Interest payable and similar charges	<b>6</b>	<b>(57)</b>	<b>-</b>
<b>Profit on ordinary activities before taxation</b>		<b>601</b>	<b>320</b>
Tax on profit on ordinary activities	<b>5</b>	<b>54</b>	<b>(2)</b>
<b>Profit for the financial year</b>	<b>13</b>	<b>655</b>	<b>318</b>

The results stated above are all derived from continuing operations.

There are no material differences between the profit (2014: profit) on ordinary activities before taxation and the profit (2014: profit) for the financial years stated above and their historical cost equivalents.

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

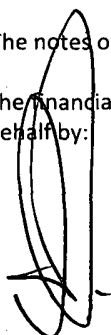


**Falcon Leisure Group (Overseas) Limited**  
**Balance sheet as at 30 September 2015**

		<b>30 September 2015 £'000</b>	<b>30 September 2014 £'000</b>
	<b>Note</b>		
<b>Current assets</b>			
Debtors	7	45,940	19,825
Cash at bank and in hand		<u>1,612</u>	<u>660</u>
		<b>47,552</b>	<b>20,485</b>
<b>Creditors: amounts falling due within one year</b>	8	<b>(30,991)</b>	<b>(4,684)</b>
<b>Net current assets</b>		<b>16,561</b>	<b>15,801</b>
<b>Provisions for liabilities and charges</b>	10	<b>(105)</b>	-
<b>Net assets</b>		<b>16,456</b>	<b>15,801</b>
<b>Capital and reserves</b>			
Called-up share capital	12	510	510
Profit and loss account	13	15,946	15,291
<b>Total shareholders' funds</b>	14	<b>16,456</b>	<b>15,801</b>

The notes on pages 10 to 15 form part of these financial statements.

The financial statements on pages 7 to 15 were approved by the Board on 20 January 2016 and signed on their behalf by:



**J G Devereux**  
**Director**

**Falcon Leisure Group (Overseas) Limited**  
**Cash flow statement for the year ended 30 September 2015**

**Reconciliation of profit on ordinary activities to net cash inflow / (outflow) from operating activities**

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
<b>Profit on ordinary activities before taxation</b>	<b>601</b>	<b>320</b>
Increase in debtors	(27,187)	(1,191)
Increase / (decrease) in creditors	26,305	(341)
Increase in provisions	105	-
<b>Net cash outflow from operations</b>	<b>(176)</b>	<b>(1,212)</b>
<b>Taxation received</b>	<b>1,128</b>	<b>2</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>952</b>	<b>(1,210)</b>

**Reconciliation of net cash flow movements**

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Increase / (decrease) in funding	952	(1,210)
Net funds at beginning of the year	660	1,870
<b>Net funds at end of the year</b>	<b>1,612</b>	<b>660</b>

**1. Accounting policies**

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

**Basis of preparation**

The financial statements have been prepared on the going concern basis in accordance with applicable United Kingdom accounting standards and under the historical cost convention and in accordance with the Companies Act 2006.

**Turnover and deferred income**

All turnover originates within the Republic of Ireland and represents the aggregate value of revenue receivable (excluding VAT) from package holidays and commission earned on sales of in-resort excursions.

**(i) Revenue recognition**

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue in respect of holiday product is recognised on the date of departure with the exception of cancellation and amendment income which is recognised at the time of the transaction.

**(ii) Client monies received in advance (deferred income)**

Client monies received at the balance sheet date relating to holidays commencing and flights departing after the year end are deferred and included within accruals and deferred income.

**(iii) Valuation of revenue**

Where the Company acts as principal, revenue is stated at the contractual value of goods and services provided. Where the Company acts as an agent between the service provider and the end customer, revenue is recognised when earned, typically on receipt of final payment, and presented on a net basis as the difference between the sales price to the customer and the cost of the services purchased and not the total transaction sales value. Businesses are identified as being intermediaries dependent on a number of criteria, principally the control exercised over the provision of service, inventory risk and customer credit risk.

**Flying costs**

At the balance sheet date the Company has a contractual obligation to return passengers on holiday at that time. An estimate is made for the related flying costs based on the 'Departed not returned' passengers and an accrual made for these costs.

**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**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**Defined contribution pension schemes**

The Company operates defined contribution pension schemes, the assets of which are held separately from those of the Company in independently administered funds. The pension cost charge disclosed in Note 11 represents contributions payable by the Company to the fund.

**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. Foreign exchange gains and losses are recognised in the profit and loss account.

**1. Accounting policies (continued)**

**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 the average tax rates for 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

**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.

**2. Turnover**

The Company has one class of business, namely acting as a tour operator. All turnover originates in the Republic of Ireland.

**3. Profit on ordinary activities before taxation**

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Profit on ordinary activities before taxation is stated after charging:		
Provision for dilapidations (Note 10)	105	-
Intercompany write off	<u>145</u>	<u>-</u>

The above intercompany write off of £145,000 relates to intercompany receivables due from fellow Group undertakings that were no longer recoverable due to the liquidation of those companies during the year.

In 2015 and 2014, auditors' remuneration was borne by another Group company. It has not been possible to separately identify the audit fee related to the Company.

**4. Employees' and Directors' remuneration**

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

	Year ended 30 September 2015 Number	Represented Year ended 30 September 2014 Number
Selling and Distribution	20	21
Administration	<u>18</u>	<u>16</u>
	<u>38</u>	<u>37</u>

**4. Employees' and Directors' remuneration (continued)**

The comparative disclosures have been re-presented to better align with actual nature of the work performed by those staff employed by the Company. Those employees previously presented as Tour Operations staff have now been included within Selling & Distribution.

Employee costs for the above persons were as follows :

	<b>Year ended 30 September 2015 £'000</b>	<b>Year ended 30 September 2014 £'000</b>
Wages and salaries	<b>1,118</b>	1,301
Social security costs	<b>123</b>	118
Other pension costs (Note 11)	<b>55</b>	39
	<b><u>1,296</u></b>	<b><u>1,458</u></b>

The remuneration of all (2014: all) of the Company's Directors was paid by other Group companies, which make no recharge to the Company, and they received no remuneration for their services as a Director or in managing the affairs of the Company. These Directors are also directors of a number of fellow Group subsidiaries.

**5. Tax on profit on ordinary activities**

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

	<b>Year ended 30 September 2015 £'000</b>	<b>Year ended 30 September 2014 £'000</b>
Current tax:		
Corporation tax at 12.5% (2014: 12.5%)	<b>2</b>	2
Adjustment in respect of previous periods	<b>2</b>	-
<b>Total current tax</b>	<b><u>4</u></b>	<b><u>2</u></b>
Deferred tax:		
Origination and reversal of timing differences:		
- Current year	<b>(58)</b>	-
<b>Total deferred tax (Note 9)</b>	<b><u>(58)</u></b>	<b><u>-</u></b>
<b>Total tax (credit) / charge for the current year</b>	<b><u>(54)</u></b>	<b><u>2</u></b>

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

The current tax charge (2014: charge) is lower than (2014: lower than) the standard rate of corporation tax in the Republic of Ireland of 12.5% (2014: 12.5%). The differences are explained below:

**5. Tax on profit on ordinary activities (continued)**

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Profit on ordinary activities before taxation	601	320
Profit on ordinary activities at the standard rate of corporation tax in the Republic of Ireland of 12.5% (2014: 12.5%)	75	40
Effects of:		
- Expenses not deductible for tax purposes	20	2
- Losses utilised	(93)	(40)
- Adjustment in respect of previous periods	2	-
<b>Current tax charge for year</b>	<b>4</b>	<b>2</b>

**(iii) Factors affecting the future tax charge**

The rate of taxation is expected to follow the standard rate of corporation tax in the Republic of Ireland in future periods after taking into account expenditure not deductible for taxation and any non-taxable income.

**6. Interest payable and similar charges**

	30 September 2015 £'000	30 September 2014 £'000
Foreign exchange losses on financial items	(57)	-

Foreign exchange losses on financial items comprise £27,000 relating to the revaluation of amounts owed by Group undertakings denominated in Euros, and £30,000 realised on the settlement of group relief in Euros during the year.

**7. Debtors**

	30 September 2015 £'000	30 September 2014 £'000
Trade debtors	315	95
Amounts owed by Group undertakings	44,699	18,142
Group relief receivable	10	1,140
Other debtors	691	403
Deferred tax assets (Note 9)	58	-
Prepayments	167	45
	<b>45,940</b>	<b>19,825</b>

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

**8. Creditors: amounts falling due within one year**

	30 September 2015 £'000	30 September 2014 £'000
Trade creditors	(108)	(187)
Amounts due to Group undertakings	(27,393)	(107)
Taxation and social security	(30)	(35)
Client monies received in advance	(2,685)	(2,363)
Corporation tax	(4)	(2)
Accruals and deferred income	(771)	(1,990)
	<u>(30,991)</u>	<u>(4,684)</u>

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

**9. Deferred tax**

The movement in deferred taxation during the year was:	<b>£'000</b>
1 October 2014	-
Credited to the profit and loss account in the year (Note 5)	58
<b>30 September 2015</b>	<u><b>58</b></u>

The elements of deferred taxation are as follows:

	30 September 2015 £'000	30 September 2014 £'000
Tax losses	58	-
<b>Net deferred tax asset in Debtors (Note 7)</b>	<u><b>58</b></u>	<u>-</u>

At 30 September 2014, a deferred tax asset had not been recognised in respect of timing differences relating to trade losses of £151,551 as there was insufficient evidence that the assets will be recovered. Deferred tax has been recognised in full on the remaining trade losses of £58,057 following utilisation of trading losses during the year and evidence that the remaining assets will be recovered.

**10. Provisions for liabilities and charges**

	<b>Total £'000</b>
<b>Dilapidation</b>	
1 October 2014	-
Charged to the profit and loss account	(105)
<b>30 September 2015</b>	<u><b>(105)</b></u>

The provision of £105,000 (2014: £nil) relates to the dilapidation of a leased property that is no longer required by the business and it is expected to be utilised within one year.

**11. Defined contribution pension schemes**

The Company's employees participate in Group-operated defined contribution pension schemes, the assets of which are held separately from those of the Company in independently administered funds. The amounts charged to the profit and loss account in respect of pension costs are the contributions payable in the year, being £55,154 (2014: £38,905). Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Falcon Leisure Group (Overseas) Limited**  
**Notes to the financial statements for the year ended 30 September 2015**

**12. Called-up share capital**

	<b>30 September 2015 £</b>	<b>30 September 2014 £</b>
<b>Issued and fully paid</b>		
510,000 (2014: 510,000) ordinary shares of £1 each	<u><b>510,000</b></u>	<u><b>510,000</b></u>

**13. Profit and loss account**

	<b>£'000</b>
At 1 October 2014	15,291
Profit for the financial year	655
<b>At 30 September 2015</b>	<u><b>15,946</b></u>

**14. Reconciliation of movements in shareholders' funds**

	<b>2015 £'000</b>	<b>2014 £'000</b>
Opening shareholders' funds	<b>15,801</b>	15,483
Profit for the financial year	<u><b>655</b></u>	<u><b>318</b></u>
<b>Closing shareholders' funds</b>	<u><b>16,456</b></u>	<u><b>15,801</b></u>

**15. 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 AG. Therefore the Company has not disclosed transactions or balances with wholly-owned entities that form part of the Group headed by TUI AG.

**16. 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 First Choice Overseas 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](http://www.tui-group.com). No other financial statements include the results of the Company.