

TUI Ireland Limited
Annual Report and financial statements
for the financial year ended 30 September 2021
Company number 2220337

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Directors	HLP Andersson A Flintham
Registered Office	Wigmore House Wigmore Lane Luton Bedfordshire LU2 9TN
Independent Auditor	Deloitte LLP Statutory auditor 1 New Street Square London EC4A 3HQ United Kingdom
Bankers	Allied Irish Banks plc 126-128 Chapel Street Dublin 1 Citibank N.A Canada Square Canary Wharf London E14 5LB
Solicitors	William Fry Solicitors Fitzwilliam House Wilton Place Dublin 2
Registered number	2220337

The Directors present their Strategic Report on TUI Ireland Limited (the “Company”) for the financial year ended 30 September 2021.

On 31 December 2020, the Company’s tour operator business was transferred to TUI Holidays Ireland Limited (another company within the TUI AG Group), due to the regulatory implications of Brexit.

Principal activity

The Company ceased trading on 31 December 2020 following the transfer of the Company’s trade and certain associated assets and liabilities, to TUI Holidays Ireland Limited. It is only expected to undertake transactions to wind down the Company until such time as it is appropriate to strike off the Company.

Key performance indicators

The Directors and Group Executive Committee of the Group manage the Group’s operations on a divisional basis. The Company forms part of the Northern Region of the Holidays and Experiences segment of the Group. For this reason, the Company’s Directors believe that analysis using key performance indicators for the Company alone is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company, especially as it ceased trading on 31 December 2020.

A fair review of segmental performance of the Northern Region of the Holidays and Experiences segment of the Group is discussed in the Business Review on pages 61-65 of the TUI AG Annual Report 2021. Details of where these financial statements can be obtained are in Note 25 of these financial statements.

Review of the business

The Company’s loss before taxation for the financial year ended 30 September 2021 was £524k (2020 loss: £3,045k). Dividends of £10,000k were paid during the financial year (2020: £nil) and the Directors do not recommend the payment of a final dividend (2020: £nil).

The TUI UK & Ireland group of companies (the “UK & I business” which includes this Company and the following principal trading entities: TUI UK Limited, TUI Airways Limited; TUI UK Retail Limited; TUI Holidays Ireland Limited, Marella Cruises Limited and TUI UK Transport Limited) has delivered a resilient financial performance in view of the significant interruption to the Company’s business, caused by the worldwide pandemic resulting from the spread of the COVID-19 virus.

Travel restrictions in Ireland were put back in place in September 2020 and the Irish holiday programme, including Crystal Ski Ireland, was cancelled until the 18 July 2021. Since that date, the flying has recommenced in line with the relaxation of domestic restrictions. Customers due refunds for holidays cancelled as a result of the pandemic have mainly been offered cash refunds, however a small number of customers accepted CAR protected refund credit notes to the full value of any payments made towards these cancelled holidays, together with a separate rebooking incentive.

The UK programme was subject to significant and short notice changes throughout most of FY21, including a full suspension of operations during both the second and third national lockdowns in December 2020 and again in early 2021, until the Government Travel Taskforce reopening date of 17 May 2021. Between national lockdowns the business operated a small programme focused on the Canary Islands, Madeira and certain long-haul destinations. Since 17 May 2021, the holiday and cruise programme recommenced, initially on a limited basis in line with the UK Government’s traffic light list (updated approximately every three weeks) and recognising restrictions in place for UK arrivals in destination countries. Since this time, domestic travel restrictions have continued to be relaxed, in particular with the withdrawal of the Government Traffic light list and (from January 2022) a reduction in the testing burden for returning passengers, the extent of the programme has continued to expand. At the current time, the travel programme is dependent more on the restrictions in place in the destination countries than in the UK. These restrictions include pre-departure and arrival testing, vaccination requirements and isolation and quarantine periods which can (and do) differ between destination countries, resulting in a high level of complexity for both the business’ operation and for travelers themselves.

Refunds have been offered to customers unable to travel because of domestic or overseas restrictions which resulted in the cancellation of the holiday programme. Prior to 31 March 2021, customers were offered ATOL protected refund credit notes for the full value of any payments made towards these holidays, together with a separate rebooking incentive.

Review of the business (continued)

Where customers are unwilling or unable to travel on a scheduled holiday, various policies now exist which allow customers the option to amend their holiday for free to a future departure date to give customers more flexibility.

Alongside the cancellation of the holiday programme, the UK & I business has taken a number of swift and decisive cost reduction measures, including furloughing of staff in response to reduced activity, temporarily closing the network of TUI Stores and a range of other measures which reduce the fixed cost base (Note 2). The UK & I business has also been working closely with its key suppliers to agree fixed cost reduction initiatives alongside agreements to defer or spread amounts due to be paid.

The UK & I business has benefitted from the UK & Irish Government measures put in place to mitigate the impact of the pandemic, including active participation in the Government's Job Retention Scheme/Wage Subsidy Scheme and agreement with HMRC/relevant Irish tax authorities to delay the payment of certain business taxes. In addition:

- In December 2020, TUI AG agreed with private investors, banks and the German government on a further €1.8bn support package, including a rights issue of c€500m. The main aim of the package was to secure refinancing options and liquidity and strengthen the balance sheet structure of TUI AG. In addition to the issuance of new shares, the package included convertible and non-convertible silent participation provided by the Economic Stabilisation Fund (WSF) and a further credit line provided by KfW and private banks.
- In April 2021, TUI AG successfully issued convertible bonds with a total nominal amount of c€400m, followed by an announcement in June 2021 on the upsizing of the bonds through a nominal €190m tap issue.
- TUI delivered progress in its asset-right strategy by selling its stake in the real-estate portfolio consisting of 21 properties previously held jointly with Riu to the Riu family for an initial purchase price payment of €541m, with an additional potential earn-out of around €130m until 2023.
- At the same time, the Group negotiated a two-year extension of credit lines worth €4.7bn to July 2024. In addition, during the run-up to this extension, the covenant tests due as at 30 September 2021 and 31 March 2022 were agreed to be waived.

This funding is available for use by this Company and selected other companies within the TUI Group.

Whilst domestic travel restrictions have gradually been eased, the ongoing impact of the COVID-19 pandemic both in the UK and overseas continues, particularly the latest news about the spread of the Omicron variant, to impact customer's willingness to book and travel on holiday. Early indications are that the now dominant Omicron variant of COVID-19 causes a less severe disease than previous variants of COVID-19 and combined with the impact of the vaccination and booster programmes in the UK and abroad, TUI fully expects restrictions in destinations to be reduced and therefore to further improve its working capital and liquidity position.

The demand for package holidays remains strong and we have seen a recent increase in bookings following the removal of arrival testing for passengers. Many customers whose holidays were impacted in 2020 and 2021 amended existing bookings to a future travel date and therefore the Summer 2022 seasons confirmed bookings continue to be higher at this stage in the selling cycle compared to pre-pandemic. Therefore, the fundamentals of the Group's business model outside of a pandemic remain strong once operations are able to resume.

Licensable turnover

Licensable turnover, as defined by the Commission for Aviation Regulation and presented on a gross basis, amounts to £nil for the financial year ended 30 September 2021 (2020: £19,773k) and is the conversion into sterling of the underlying Euro value of €nil (2020: €23,102k).

Funding, liquidity and going concern

At 30 September 2021, the Company had net assets of £6,327k (2020: £16,853k).

Funding, liquidity and going concern (continued)

The Directors have considered the funding and liquidity position of the Company in light of the fact that it has ceased trading on 31 December 2020. The Directors expect that transactions will only take place in order to wind down the Company and that it is expected to have sufficient liquidity to pay its liabilities as they fall due. Consequently the annual Financial Statements have been prepared on a basis other than going concern. This has not resulted in any adjustments to the recognition and measurement of assets and liabilities in these financial statements. For further details, see Note 2 in the financial statements.

The treasury function is managed centrally in 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. Consequently, the majority of the Company's net cash outflow during the year relates to intercompany movements and the impact on trade due to COVID-19 restrictions.

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.

Post balance sheet events

Details of post balance sheet events can be found in Note 24.

Principal risks and uncertainties

Similarly to other external factors that have previously impacted our Group (e.g. the volcanic ash-cloud or grounding of the B737 Max fleet), we regard the COVID-19 pandemic as an event which has led to travel restrictions across the world, both within the Markets as well as in destination countries. This has led to several of our principal risks to materialise simultaneously, including: customer demand, input cost volatility, cash flow, destination disruption and security, health & safety. All of these principal risks continue to remain heightened throughout the pandemic.

Measures taken in order to react to this crisis have also heightened the principal risk profile. Therefore, the lack of integration risk has increased, due to the volume and speed of the transformation required within the Group in order to react to the impact; and the ability to attract and retain talent, due to the cost saving measures related to our employees.

The TUI AG Group has made a well-founded assessment of the main risks to the Group, taking into account future events that would jeopardise the business model, future results, solvency and liquidity for at least 12 months from the date of approval of these financial statements. The scenario used for the going concern assumption assumes that various Group divisions booking figures for the financial year 2021/22 will successively recover and that the booking behaviour in the financial year 2022/23 will largely correspond to the pre-pandemic level. Nevertheless, the customer bookings could be lower than expected on account of new travel restrictions, an insufficient vaccination rate against the COVID-19 virus in the single countries as well as on account of virus variants, such as the new Omicron virus variant, for which there may not be sufficient vaccination protection and could thus affect the development of the TUI AG Group.

The risks listed are the principal risks to which we are exposed but are not exhaustive and will evolve over time due to the dynamic nature of our business.

Set against the evolving macroeconomic environment, the principal risks and uncertainties which are common to the Group and the Company are:

- **Financial risk.** The Company's activities expose it to financial risk; including credit risk, liquidity risk and cash flow risk.

The vast majority of our trade receivable balance is due from subsidiary undertakings of the Group which have a low risk of default.

Principal risks and uncertainties (continued)

- **Financial risk (continued).** To minimise liquidity risk, the Company's financial management is centrally operated by TUI AG which acts as the Group's internal bank. The financial management goals include ensuring sufficient liquidity for TUI AG and its subsidiaries and limiting financial risks from fluctuations in currencies, commodity prices and interest rates as well as default risks of treasury activities. The Group operates liquidity safeguards which have the following two components:

- i) In the course of the annual Group planning process, TUI draws up a multi-annual finance budget, from which long-term financing and re-financing requirements are derived. This information and financial market observation to identify refinancing opportunities create a basis for decision-making, enabling appropriate financing instruments for the long-term funding of the Company to be adopted at an early stage.
- ii) The Group uses syndicated credit facilities and bilateral bank loans as well as its liquid funds to secure sufficient short-term cash reserves. Through intra-group cash pooling, the cash surpluses of individual Group companies are used to finance the cash requirements of other Group companies. Bank account dispositioning is based on a monthly rolling liquidity forecast system.

Despite the financial backing of a global organisation the Company recognises the highly seasonal nature of its business, and the inherent associated cash flow risk. Tourism is an inherently seasonal business with the majority of profits earned in the European summer months.

Cash flows are similarly seasonal, with the cash low occurring in the winter as liabilities have to be settled with many suppliers after the summer season. Details of the Group's financial management strategies are included in the risk report of the TUI AG Annual Report.

- **Disruption within our destinations.** Providers of holiday and travel services are exposed to the inherent risk of external events affecting destinations. This can include natural catastrophes such as hurricanes or tsunamis; outbreaks of disease such as the ongoing COVID-19 pandemic; political volatility as has been seen in Egypt, Turkey and Greece in recent years; the implications of war in countries close to our markets and destinations; and terrorist events such as the tragic incident in Tunisia in 2015. There is the risk that if such an event occurs, impacting one or more of our destinations that we could potentially suffer significant operational disruption and costs. We may possibly be required to repatriate our customers and/or the event could lead to a significant decline in demand for holidays to the affected destinations over an extended period of time. The risk has heightened due to COVID-19 whereby the Group is experiencing more destination disruption due to constant changes in travel advice and corridors.
- **Reduction in customer demand.** Spending on travel and tourism is discretionary and price sensitive as well as competitive. The economic outlook remains uncertain with different markets at different points in the economic cycle. Furthermore, 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. There is the risk that these external factors within our industry will impact on the spending power as well as the desire to travel of our customers. This could impact our short-term growth rates and lead to margin erosion. This risk has heightened due to customer demand being significantly impacted by the COVID-19 pandemic.
- **Volatility of Input cost** A significant proportion of the operating expenses are in non-local currency which therefore exposes the business to fluctuations 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. As a result of the pandemic there is also a risk that there will be no hedging lines available to put in place hedges to manage the volatility of future seasons. There is also the risk that if our hedging policy is too rigid, e.g. when the majority of the competitors in a source market do not hedge (a certain destination), we may find ourselves unable to respond to competitive pricing pressures during the season without it having a direct detrimental impact on our market position and/or profitability. Furthermore, changes in macroeconomic conditions, such as those currently being experienced as a result of the pandemic, can have an impact on exchange rates which, particularly for the £/€ rate has a direct impact on the translation of non-euro market results into Euros, the reporting currency of our Group.

Principal risks and uncertainties (continued)

- **Insufficient cash flow.** Tourism is an inherently seasonal business with the majority of profits earned in the European summer months. Cash flows are similarly seasonal with the cash high occurring in the summer as advance payments and final balances are received from customers, with the cash low occurring in the winter as liabilities have to be settled with many suppliers after the end of the summer season. There is the risk that if we do not adequately manage cash balances through the winter low period this could impact on the Group's liquidity and ability to settle liabilities as they fall due whilst ensuring that financial covenants are maintained. As a result of the COVID-19 pandemic the Group has experienced increasing challenges to the cashflow profile. This is due to operational activity being significantly reduced during the summer months, which is the time when the majority of cash balances are received from customers. We are also experiencing a significantly shorter booking profile whereby customers are booking very close to departure and therefore cash deposits are received later than previous booking patterns and the cash balances are subject to higher short-term movements.
- **Legal & regulatory compliance.** The Group 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.
- **Security, health & safety breach.** For all providers of holiday and travel services, ensuring the security, health and safety of customers is of paramount importance. There is the risk of accidents or incidents occurring causing illness, injury or death to customers or colleagues whilst on a TUI holiday. This could result in reputational damage to the business and/or financial liabilities through legal action being taken by the affected parties. This is particularly important during the pandemic where health & safety is under more scrutiny and requirements are continuously changing.
- **Reliance on key suppliers.** Providers of holiday and travel services are exposed to the inherent risk of failure in their key suppliers, particularly for hotels, aircraft and cruise ships. This is heightened by the industry convention of paying hoteliers in advance ('prepayments') to secure a level of room allocation for the season as well as in areas where a single supplier is used to provide a product or service. There is the risk that we are unable to continue with our core operations in the event of a major service failure from our key suppliers.
- **Lack of integration and flexibility within operations and IT systems.** Our focus is on enhancing our operations and customer experience by providing engaging, intuitive, seamless and continuous customer service through delivery of digital solutions, core platform capabilities, underlying technical infrastructure and IT services required to support the Group's overall strategy for driving profitable top line growth.

Although the Group's strategy has ensured that we are more vertically integrated, which has reduced impact of disruption by pure digital players, a lack of integration and flexibility within our systems and operations, particularly in the Markets & Airline businesses could impact on our cost base. This would therefore impact on our competitiveness, our ability to provide a superior customer experience as well as on quality and operational efficiency.

The COVID-19 pandemic has heightened this risk due to the shorter timescales required to deliver the integration of our businesses and flexibility of the IT systems and therefore there are a number of transformation projects currently in place to mitigate this risk.

Principal risks and uncertainties (continued)

- **Lack of sustainability improvements.** For the Group, economic, environmental and social sustainability is a fundamental management principle and a cornerstone of our strategy for continually enhancing the value of our business. This is the way we create the conditions for long-term economic success and assume responsibility for sustainable transformation in the tourism sector. Our focus is to reduce the environmental impact of our operations and promote responsible social policies and outcomes both directly through our own business and indirectly via our influence over our supply chain partners, thereby creating positive change. There is a risk that we are not successful in driving social and environmental improvements across our operations, that our suppliers do not uphold our corporate and social responsibility standards and we fail to influence destinations to manage tourism more sustainably. If we do not maximise our positive impact on destinations and minimise the negative impact to the extent that our stakeholders expect, this could result in a decline in stakeholder confidence, reputational damage and reduction in demand for our products and services.
- **Disruption to IT systems (cyber-attacks).** Our responsibility is to protect the confidentiality, integrity and availability of the data we process for our customers, employees, and businesses. This is an evolving risk due to increased global cyber-crime activity and regulations (e.g. GDPR). At the same time our consolidation under the TUI brand and our increasing dependence on online sales and customer care increases our exposure and susceptibility to cyber-attacks. 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.
- **Inability to attract and retain talent.** Our success depends on the ability to attract, retain and develop our talent to ensure that we equip our employees to deliver our strategy as well as to also become our future leaders. There is a risk that we are unable to attract and retain key talent, build future leadership capability and maintain the commitment and trust of our employees. Challenges in managing and maintaining our talent pipeline in order to deliver against our strategy, drive competitiveness and maximise on our operating performance, may impact on our ability to future proof the Group and the associated potential for negative impact on shareholder confidence. This risk has increased this year as a result of the cost saving measures related to our employees as well due to the tourism industry becoming a less attractive sector during the pandemic.
- **Brexit/Border control.** The UK's withdrawal from the EU does not affect the rights of Irish citizens and UK citizens within the Common Travel Area, and there are no significant additional entry requirements for UK citizens travelling to the EU. Therefore we do not expect Brexit to have any material impact on trading.

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 35-49 of the TUI AG 2021 Annual Report. Details of where these financial statements can be obtained are in Note 25 of these financial statements.

Approved by the Board and signed on its behalf by



HLP Andersson
Director

Directors and their interests

The Directors of the Company who were in office at any time during the financial year and up to the date of signing the financial statements were:

HLP Andersson	(Appointed 6 January 2021)
A Flinham	(Appointed 6 January 2021)
S J Hoar	(Resigned 5 January 2021)
S J Eaton	(Resigned 6 January 2021)

Independent auditor

Deloitte LLP were appointed as auditor of the TUI Group, including of the Company. In line with Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed unless unwilling or disqualified and Deloitte LLP will therefore continue in office.

Directors' insurance

Throughout the financial year until the date of approval of these financial statements the ultimate parent company, TUI AG, maintained Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company. 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 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. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Review of the business

A fair review of the business including an analysis of the performance and financial position of the Company, together with details of financial risk exposure and management, dividends, going concern and future developments are included within the Strategic Report.

Post balance sheet events

Details of post balance sheet events can be found in Note 24.

Approved by the Board and signed on its behalf by



HLP Andersson
Director

Company Number 2220337

Date: 11 July 2022

The Directors are responsible for preparing the Director's Report and the financial statements in accordance with the Companies Act 2006.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed; 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;
- safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, and
- the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of TUI Ireland Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related Notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to Note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's operating licences, environmental regulations, GDPR, employment law, health and safety and building regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, pensions, IT and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
12 July 2022

TUI Ireland Limited

Statement of Comprehensive Income for the financial year ended 30 September 2021

		Financial year ended 30 September 2021 £'000	Financial year ended 30 September 2020 £'000
	Note		
Revenue	7	142	21,096
Cost of sales		(162)	(19,369)
Gross (loss)/profit		(20)	1,727
Distribution costs		(60)	(2,488)
Administrative expenses		(656)	(2,210)
Government grant income		213	31
Operating loss		(523)	(2,940)
Finance income	9	9	7
Finance expense	10	(10)	(112)
Loss before taxation	11	(524)	(3,045)
Tax (expense)/credit	12	(3)	385
Loss for the financial year attributable to owners of the Company		(527)	(2,660)
Total Comprehensive Loss for the financial year attributable to the Owners of the Company		(527)	(2,660)

TUI Ireland Limited
Statement of Financial Position as at 30 September 2021

		As at 30 September 2021	As at 30 September 2020 Restated
	Note	£'000	£'000
Non-current assets			
Tangible assets	13	-	215
Right-of-use assets	14	-	736
Trade and other receivables	15	17,791	98,202
		17,791	99,153
Current assets			
Trade and other receivables	15	175	1,139
Income tax recoverable		93	284
Cash and cash equivalents		500	912
		768	2,335
Total assets		18,559	101,488
Current liabilities			
Current interest bearing loans and borrowings	19	(20)	-
Trade and other payables	16	(12,030)	(83,658)
Lease liabilities	20	-	(110)
Provisions for liabilities	17	(182)	(176)
		(12,232)	(83,944)
Net current liabilities		(11,464)	(81,609)
Total assets less current liabilities		6,327	17,544
Non-current liabilities			
Deferred tax liabilities	18	-	(4)
Lease liabilities	20	-	(687)
		-	(691)
Total liabilities		(12,232)	(84,635)
Net assets		6,327	16,853
Equity			
Called up share capital	21	510	510
Retained earnings	22	5,817	16,343
Total equity attributable to owners of the Company		6,327	16,853

The prior year comparatives have been restated, please refer to Note 15 for details.

The notes on pages 17 to 34 form part of these financial statements.

The financial statements on pages 14 to 34 were approved and authorised for issue by the Board of Directors and signed on its behalf by:

Henrik Andersson

HLP Andersson

Director

Company Number 2220337

Date: 11 July 2022

TUI Ireland Limited

Statement of Changes in Equity for the financial year ended 30 September 2021

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
At 1 October 2019	510	19,001	19,511
Total Comprehensive Loss for the financial year	-	(2,660)	(2,660)
Share-based payments	-	2	2
At 30 September 2020	510	16,343	16,853
Total Comprehensive Loss for the financial year	-	(527)	(527)
Dividends paid	-	(10,000)	(10,000)
Share-based payments	-	1	1
At 30 September 2021	510	5,817	6,327

1.

General information

The Company is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England & Wales. The address of its registered office is Wigmore House, Wigmore Lane, Luton, Bedfordshire, LU2 9TN. The Company's registered number is 2220337.

The Company ceased trading on 31 December 2020 following the transfer of the Company's trade and certain associated assets and liabilities, to TUI Holidays Ireland Limited. It is only expected to undertake transactions to wind down the Company until such time as it is appropriate to strike off the Company.

2.

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified for revaluation to fair value of derivative financial instruments as required by FRS 101, in accordance with the Companies Act 2006 and Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101').

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined by Financial Reporting Standard 100 'Application of financial reporting requirements' ('FRS 100') which addresses the financial requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of IFRS. Further details can be found in Note 5.

Going Concern

As the Company has ceased trading on 31 December 2020, the annual financial statements have been prepared on a basis other than going concern. No adjustments were necessary to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities. The principal accounting policies, which have been applied consistently throughout the year, are set out below and, where necessary, have been updated to include any policies which are considered significant given the presentation of the financial statements on a basis other than going concern.

Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in the Company's functional currency of sterling, rounded to the nearest thousand pounds, except where stated otherwise.

3. Amendments to IFRSs

In the current financial year, the Company has applied amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2020.

Standard	Amendment	Impact on Financial Statements
Amendments to IAS 1 & IAS 8 Definition of Materiality	Materiality is a key concept in preparing financial statements according to IFRS. The amendments refine the definition of 'material' and clarify how to apply materiality. The amendments also align the definition of 'material' and ensure consistency in the application of that concept across all IFRS Standards.	No impact
Framework Amendments to References to the Conceptual Framework in IFRS Standards	The revised Conceptual Framework includes revised definitions of an asset and a liability, and new guidance on measurement and derecognition, presentation and disclosure. References to the Conceptual Framework in existing Standards are updated. The revised Conceptual Framework is not subject to the Endorsement Process.	No impact
Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform (Phase 1)	The amendments relate to the provision of relief from potential consequences arising from the reform of interbank offered rates (IBORs) such as LIBOR on companies' financial reporting. They are intended to secure the continuation of hedging relationships despite the replacement of current interest rates with alternative rates. Entities also must disclose the extent to which their hedges are affected by the interest rate benchmark reform.	Not material
Amendments to IFRS 16 COVID-19-Related Rent Concessions	The amendments published by the IASB on 28 May 2020 provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. Lessees applying the exemption must account for the rent concessions as if they were not lease modifications. The amendments are available for rent concessions reducing lease payments due on or before 30 June 2021.	No impact. TUI does not apply the new practical expedient.
Amendments to IFRS 16 COVID-19-Related Rent Concessions beyond 30 June 2021	The amendments published by the IASB on 31 March 2020 extend the period of application of the aforementioned amendments to IFRS 16 issued on 28 May 2020 for another year.	No impact. TUI does not apply the practical expedient.

4. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the financial years presented.

Revenue

The Company acts as a provider of package holidays including the sale of other related travel services. Revenue originates solely from package holidays, and commission earned on sales of in-resort excursions. This represents the aggregate amount of revenue receivable for services supplied in the ordinary course of business. Revenue is measured at the fair value of the consideration received or receivable and is stated net of discounts and value added tax and monies collected on behalf of the other relevant tax authorities. All revenue originates within the Republic of Ireland.

(i) Revenue recognition

Revenue is recognised when the performance obligations are met.

Revenue in respect of in-house holiday products is recognised either over time in relation to the duration of the product. If the services relate to a period of time, e.g. in the case of multi-day hotel stays or package holidays, or at a point in time on the day of performance of the performance obligation, e.g. for flight services (not included within a package) on the day of the flight. Commission earned in respect of third-party travel products, along with related costs, is recognised when the final balance is due. Commission earned in respect of insurance is recognised at the time of the transaction. Cancellation income is recognised at the time of the transaction. This recognition basis is in line with IFRS 15.

(ii) Valuation of revenue

Revenue is recognised on transfer of control over distinct goods or services to the customer. The flights, hotel accommodation and other services included in a package holiday are transformed into one product for the customer through a significant integration service provided by TUI as a tour operator within the meaning of IFRS 15, so that the package holiday constitutes one performance obligation for TUI. This revenue is recognised when TUI delivers the service for the customer, i.e. on a linear basis over the duration of the holiday, as customers consume their holiday on a pro rata basis. Further revenue is generated on sale of other tourist services e.g. seat only, accommodation only etc. Revenue is recognised when TUI has satisfied its performance obligation, e.g. for flight services on the day of the flight.

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 balance due date, 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 agents dependent on a number of criteria, principally the control exercised over the provision of service, inventory risk and customer credit risk.

(iii) Client monies received in advance

Client monies at the Statement of Financial Position date relating to holiday and flight services to be delivered after the year end are included in Trade and other payables. If the date of departure is in one year or less, they are classified as current liabilities, if not, they are presented as non-current liabilities. This recognition basis is in line with IFRS 15.

Other income

Other income related to grants from the Irish Government in relation to their COVID-19 related Employee Retention Scheme.

Foreign currency translation

Foreign currency transactions are initially translated into the Company's functional currency using the prevailing rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing on the Statement of Financial Position date. Foreign exchange gains and losses resulting from translation to financial year-end rates are recognised in the Statement of Comprehensive Income with the exception of gains and losses to be recognised in equity as qualifying cash flow hedges.

Foreign exchange gains or losses arising on loans receivable or payable, including finance lease liabilities, are included in "Finance income" and "Finance expense" in the Statement of Comprehensive Income.

4. Summary of significant accounting policies (continued)

Foreign currency translation (continued)

The results and financial position of all businesses that have a functional currency different from the presentational currency are translated into the presentational currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses for each Statement of Comprehensive Income are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of each transaction); and
- all resulting exchange differences are recognised in Other Comprehensive Income.

Marketing and other direct sales costs

Marketing, advertising and other promotional costs, including those related to the production of brochures, are expensed when the benefit of the goods or services is made available to the Company, net of any contributions received from third parties to defray such costs.

Leases

Leases are agreements transferring the right to use an identified asset for a given period of time in return for a payment.

As a lessee, the Company leased an office building in the Republic of Ireland which was transferred to TUI Holidays Ireland Limited during the financial year.

The Company as lessee

The Company carries right-of-use assets and lease liabilities for all leases in the Statement of Financial Position. At the inception of an agreement, the Company evaluates whether it is, or contains, a lease.

Apart from traditional lease, tenancy or leasing contracts, service or capacity agreements may also fall within the scope of IFRS 16. In connection with the purchase of mixed tourism services, the rental or purchase of the largest portion of a hotel's room capacity is identified as a lease component if the Company commits to its contract partner to purchase a fixed allotment of more than 90% of the hotel's capacity for a period of more than 12 months, if the agreement does not include an exemption to return committed capacity for self-marketing by the hotelier, and if therefore an irrevocable payment obligation exists. For agreements that contain one or several lease components alongside non-lease components, the Company uses the option not to separate these non-lease components.

At the commencement date, i.e. the date from which the lessee is entitled to exercise the right to use the underlying asset, a lease liability amounting to the present value of the future lease payments is recognised. The lease payments include all fixed and in substance-fixed payments less any future lease incentives to be provided by the lessor. The lease payments also include variable payments linked to an index or an (interest) rate as well as expected payments from residual value guarantees. Lease payments for the exercise of extension, purchase and termination options are included if the exercise of these options is assessed as reasonably certain. As a rule, the lease payments are discounted at the lessor's interest rate implicit in the lease. If that rate is not known, the present value is determined using the incremental borrowing rate. After initial measurement, the carrying amount is increased to reflect interest on the lease liability and reduced to reflect the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The interest expense from the subsequent measurement of the lease liability is presented in the interest result. Variable lease payments not linked to an index nor to an interest rate are recognised through the Statement of Comprehensive Income in the period in which the event or condition that triggers the payment occurs.

4. Summary of significant accounting policies (continued)

Leases (continued)

The Company as lessee (continued)

Where lease payments have been deferred without an agreement or existing contractual right, any unpaid lease liability is not derecognised, as the lease liability has neither been paid nor extinguished with legal effect. The unpaid lease payments remain a 'lease liability' until the liability has either been paid or extinguished.

Under IFRS 16, 'rent concessions' will usually meet the definition of a lease modification which will require the lease to be remeasured, unless they were envisaged in the original lease agreement.

In addition, a right-of-use asset is recognised at the commencement date. Right-of-use assets for the leased items are measured at amortised cost less cumulative depreciation/amortisation and cumulative impairment and adjusted for revaluations of the lease liability. The cost of a right-of-use asset comprise the present value of the future lease payments plus initial direct costs and the lease payments made prior to commencement less any lease incentives received and the estimated costs to be incurred to restore the leased asset to the condition required by the terms and conditions of the lease ("Day one obligations"). Capitalised right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the expected useful life of the right-of-use asset. If the lease transfers ownership of the leased asset to the Company by the end of the lease term, or if the lease payments reflect the future exercise of a purchase option, the right-of-use asset is depreciated over the useful life of the leased asset. After the commencement date of the lease, depreciation is recognised to reflect the pattern of consumption of the benefits the asset brings over its useful life. This is applied consistently from period to period and is recognised in Cost of sales or in Administrative expenses.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in cost of sales or in administrative expenses.

If a property contract approaches its end date and neither the lessee nor the lessor has triggered notice, then the lease is deemed to be held over. It is therefore assumed that the lessee can remain in the property for a defined minimum lease term based upon the law in the relevant jurisdiction. After 1 October 2019, leases holding over in England, Wales, Northern Ireland and Ireland, will result in a ROU asset and lease liability calculated on the basis of a six month lease term, beginning 6 months before the lease goes into holdover. This ROU asset and lease liability is remeasured to the six month calculation each month end.

Whereas, leases holding over in Scotland will result in a ROU asset and lease liability for the remaining period (12 months + 40 days), beginning if no notice has been served 40 days before the lease expiry. This ROU asset and lease liability is wound down over the following 12 months until the lease is remeasured again 40 days before the anniversary of the lease expiry date.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'impairment of non-financial assets' policy.

If a right-of-use asset is subsequently subleased, an assessment has to be made to determine whether the sublease is a finance lease or an operating lease. This assessment is based on the right-of-use assets rather than the asset underlying the lease from the head lease. If the assessment determines that the sublease is a finance lease, then the Company recognises a lease receivable at an amount equal to the net investment in the lease and derecognises the underlying leased asset or the right-of-use asset from the head lease. See "The Company as a lessor" section below for further details.

The Company applies the recognition and measurement exemptions for all short-term leases and low-value asset leases. A short-term lease is a lease that has a lease term of 12 months or less and does not contain a purchase option. The lease payments for those leases are recognised as an expense in cost of sales or in administrative expenses on a straight-line basis over the lease term or on another systematic basis.

4. Summary of significant accounting policies (continued)

Operating loss

Operating loss is stated before investment income and finance activities.

Finance income

Interest receivable recognised in the Statement of Comprehensive Income mainly comprises interest receivable on bank accounts and financial gains on financial instruments.

Finance expenses

Interest payable recognised in the Statement of Comprehensive Income mainly comprises lease interest and bank interest expense.

Current and deferred tax

The tax expense for the financial year comprises current and deferred tax and is recognised in the Statement of Comprehensive Income. Current tax is the expected tax payable (or recoverable) for the current financial year using the average tax rate for the financial year. Income tax recoverable or payable relates to current tax. To the extent available, the amount is first recovered from, or surrendered to, other Group companies as group relief.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantively enacted at the Financial Position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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 offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same tax authority.

Current and deferred tax are recognised in the Statement of Comprehensive Income, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at historical purchase cost, including any costs attributable to bringing an asset to its working condition for its intended use, less accumulated depreciation and impairment.

Depreciation is expensed on a straight-line basis to the residual value over the estimated useful lives of tangible assets which are as follows:

Equipment, fixtures and fittings	3-10 years
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Useful lives are estimated taking into account the rate of technological change and intensity of use of the assets and are reviewed together with the assets residual value, and adjusted if appropriate, at the end of each reporting period. 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.

Right of use assets and depreciation

The right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurements of the lease liability (i.e. remeasurements or lease modifications).

Depreciation is expensed on a straight-line basis over the shorter of the period of the lease or useful life.

Useful lives are estimated taking into account the rate of technological change and intensity of use of the assets and are reviewed and adjusted if appropriate, at the end of each reporting period. 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.

4. Summary of significant accounting policies (continued)

Impairment of non-financial assets

Non-financial assets not subject to amortisation are tested annually for impairment. Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the Statement of Comprehensive Income whenever the carrying amount of an asset exceeds its estimated recoverable amount. It is included within Cost of sales where it is deemed a direct operating expense, or in Distribution costs and Administrative expenses (as applicable), in all other cases. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows.

Financial assets and financial liabilities

The classification and measurement of financial assets are determined on the basis of the business model used to manage financial assets, the related contractual cash flows and their objective. At initial recognition of financial assets, the classification comprises the categories "Financial assets at amortised cost (AC)", "Financial assets at fair value through Other Comprehensive Income (FVOCI)" and "Financial assets at fair value through profit and loss (FVPL)".

Financial assets are recognised at the value on the date when the Company undertakes to buy/has a legal right to recognise the asset. When recognised for the first time, they are either classified as at amortised cost or at fair value, depending on their objective. Financial assets are classified as financial assets at amortised cost when the objective of the Company's business model is to hold the financial assets to collect contractual cash flows, and when the contractual terms and conditions of the assets exclusively constitute interest and principal payments on the nominal amount outstanding.

For the financial assets held at amortised cost, a loss allowance for expected credit losses is recognised in accordance with IFRS 9. The expected credit loss using the "simplified approach" requires the Company to determine a provision matrix to calculate the expected loss for trade receivables and lease receivables based on historical data and forward-looking information. The expected credit loss using the "general approach" is based on either full lifetime expected credit losses or 12-month expected credit losses. A loss allowance for lifetime expected credit losses is required for a financial instrument if the credit risk of that financial asset has increased since initial recognition. For all other financial instruments, expected credit losses are measured at an amount equal to the 12 month expected credit losses.

Impairments and reversals of impairments are included in "Impairment of financial assets" in the Statement of Comprehensive Income.

All other financial assets not recognised at amortised cost or at fair value through OCI must be measured at fair value through profit or loss. Accordingly, the debt instruments previously allocated to the measurement category "Financial assets available for sale" are measured at fair value through profit or loss under IFRS 9.

Financial assets are derecognised as at the date on which the rights for payments from assets expire or are transferred and therefore as at the date on which essentially all risks and rewards of ownership are transferred. The rights to an asset expire when the rights to receive cash flows from the asset have expired. For transfers of financial assets, it is assessed whether they have to be derecognised in accordance with the derecognition requirements of IFRS 9.

Financial liabilities are recognised in the Statement of Financial Position if an obligation exists to transfer cash and cash equivalents of other financial assets to another party. Initial recognition of a liability is expected at its fair value. For loans taken out, the nominal amount is reduced by discounts retained and transaction costs paid. The subsequent measurement of financial liabilities is affected at amortised cost using the effective interest method. The classification of financial liabilities in accordance with IFRS9 did not result in any changes in the measurement categories.

Cash and cash equivalents

Cash comprises cash at bank. The Company does not invest in deposits held on call with banks or other short-term highly liquid investments. Bank overdrafts are shown in current liabilities within the Statement of Financial Position.

4. Summary of significant accounting policies (continued)

Provisions

A provision is recognised in the Statement of Financial Position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount has been reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability. The increase in the provision due to passage of time is recognised as a financial expense where material.

Retirement benefit liabilities

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 pension charge disclosed in Note 8 includes contributions payable by the Company to these funds.

Share-based payments

IFRS 2 'Share based payment' ("IFRS 2") requires the Company to recognise the cost of share-based remuneration of its employees.

The Company's ultimate parent, TUI AG, operates a number of share-based compensation plans.

For equity settled transactions, the fair value of the awards granted are recognised under staff costs with a corresponding increase in equity. The fair value is determined at the point when the awards are granted and spread over the vesting period during which the employees become entitled to the awards. The method for calculating the value of the granted awards is described in Note 8.

5. Reduced disclosures permitted by FRS 101

The Company meets the definition of a qualifying entity of TUI AG, as defined by FRS 100, as the results of this Company are fully consolidated into the Group financial statements of TUI AG. Details for obtaining the Group financial statements of TUI AG can be found in Note 25. Where applicable and required by FRS 101, equivalent disclosures have been provided in the Group's consolidated financial statements in accordance with the Application Guidance to FRS 100. As such, the Company has taken advantage of the following disclosure exemptions as set out in paragraph 8 of FRS 101:

IFRS	Relevant paragraphs of IFRS	Disclosure exemptions taken
IFRS2 'Share-based payment'	45(b) and 46 to 52	All disclosure requirements.
IFRS 7 'Financial instruments'	All paragraphs	All disclosure requirements.
IFRS 13 'Fair value measurement'	91 to 99	All disclosure requirements in respect of the valuation techniques and inputs used for the fair value measurement of assets and liabilities.
IAS 1 'Presentation of financial statements'	38	Paragraph 79(a) (iv) of IAS 1.
	10(d) and 111	A statement of cash flows and related information.
	16	A statement of compliance with all IFRS.
	134 to 136	Information on the Company's objectives, policies and processes for managing capital.
	40(a)	A third statement of financial position to be presented in certain circumstances, including retrospective restatement on change in accounting policy such as adoption of new standards.
IAS 7 'Statement of cash flows'	All paragraphs	IAS 7 disclosures in full.
IAS 8 'Accounting policies, changes in accounting estimates and errors'	30 and 31	New standards and interpretations that have been issued but which are not yet effective.

5. Reduced disclosures permitted by FRS 101 (continued)

IFRS	Relevant paragraphs of IFRS	Disclosure exemptions taken
IAS 24 'Related party transactions'	17 and the requirements to disclose transactions between two group subsidiaries.	Detailed related party transaction information including key management compensation and transactions with other wholly-owned subsidiaries of the Group.
IFRS 15 Revenue from Contracts with Customers	110	The requirements of the second sentence.
	113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129	All disclosure requirements.
IFRS 16 Leases	Paragraphs 90, 91 and 93	All disclosure requirements.
	89	The requirements of the second sentence.

6. Critical accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described in Note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are material to the carrying value of assets, liabilities and total comprehensive income for the year are disclosed as follows:

Critical accounting judgements

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

i) Provisions

In accounting for provisions, judgement is required in determining occurrence probability, maturity and level of risk. Judgement and estimation are required in determining provisions for customer and legal claims. Details of provisions made and the basis by which provisions have been calculated are disclosed in Note 17.

ii) Contingent liabilities

Management together with legal counsel have made assumptions about the probability of legal claims being successful and whether or not more likely than not that settlement will take place. In the event that the probability of an outflow is below 50%, no provision will be recognised. Management apply their judgement additionally to consider whether or not to disclose any contingencies should such disclosure be detrimental to the outcome of a specific case.

Critical accounting estimates

Key estimates or assumptions concerning the future, and other key sources of uncertainty at the reporting period that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

6. Critical accounting judgments, estimates and assumptions (continued)

Critical accounting estimates (continued)

i) Expected credit losses recognised on financial assets within the scope of IFRS9

Judgement is required in the assessment of the carrying amount of financial assets held at amortised cost. Estimation of the expected credit loss using the "simplified approach" requires the Company to determine a provision matrix to calculate the expected loss for trade receivables and lease receivables based on historical data and forward-looking information.

Estimation of the expected credit loss using the "general approach" requires the Company to classify the financial assets into three stages:

- Stage 1 – financial assets which are recognised for the first time, or where the credit risk has not increased significantly since initial recognition. In this case a 12-month credit loss needs to be determined.
- Stage 2 – where a significant increase in credit risk has occurred, the lifetime expected credit loss needs to be determined.
- Stage 3 – where there is objective evidence of impairment, the lifetime expected credit loss needs to be determined.

Once classified, in order to determine the expected credit loss, the Company (taking into account all reasonable and supportable information that it is able to obtain without undue cost or effort), has to determine the:

- Probability of default (PD) – an estimation of the likelihood of a default over a given time period
- Loss given Default (LGD) – an estimation of the amount that would be lost in the event of a default.

In view of the existing uncertainties regarding expected credit losses (ECL), an extended analysis of sensitivities was undertaken.

For those balances where the simplified approach was undertaken, a change in ECL rate of:

- +10% would have caused the loss allowance to increase by £nil; and
- -10% would have caused the loss allowance to decrease by £nil

For those balances where the general approach was undertaken, two methods of calculation were used:

- future discounted cashflows ("DCF") derived from medium-term corporate planning as at 30 September 2021 were reviewed where available to determine the expected credit loss.
- scenarios were derived which reflected the different expected outcomes in respect of settlement.

A change in of 10% in the DCF and in the ECL rate derived by the scenario method would have caused the loss allowance to increase by £5k or decrease by £3k.

7. Revenue

	Financial year ended 30 September 2021	Financial year ended 30 September 2020
	£'000	£'000
Tourism services	147	20,834
Other revenue	(5)	262
	<u>142</u>	<u>21,096</u>

All revenue is earned in the Republic of Ireland.

8. Employees and Directors

Employee costs for the Company during the financial year were:

	Financial year ended 30 September 2021 £'000	Financial year ended 30 September 2020 £'000
Wages and salaries	323	1,347
Share- based payments – equity settled	1	2
Social security costs	6	97
Retirement benefit expenses	14	51
	344	1,497

The monthly average number of persons (including Directors) employed by the Company during the financial year was:

	Financial year ended 30 September 2021 Number	Financial year ended 30 September 2020 Number
Selling and distribution	5	20
Administration	4	17
	9	37

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 Statement of Comprehensive Income in respect of retirement benefit expenses are the contributions payable in the financial year, being £14k (2020 £51k). Differences between contributions payable in the financial year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Directors' remuneration

The details of Directors' remuneration are as follows:

	Financial year ended 30 September 2021 £'000	Financial year ended 30 September 2020 £'000
Directors' remuneration	27	101
Retirement benefit contributions	3	11
	30	112

The remuneration of two (2020: two) of the Company's Directors was paid by other Group companies, which make no recharge to the Company.

During the financial year:

- Phantom awards in the TUI AG long-term incentive scheme, granted in previous years vested to none (2020: none) Directors;
- Phantom awards in TUI AG granted in previous years remained outstanding at the end of the year to none (2020: none) Directors;
- None (2020: none) of the Directors were awarded phantom awards that remained outstanding at the end of the year.

8. Employees and Directors (continued)

Directors' remuneration (continued)

The remuneration relating to the highest paid Director is:

	Financial year ended 30 September 2021 £'000	Financial year ended 30 September 2020 £'000
Remuneration	23	88
Retirement benefit contributions	2	8
	<u>25</u>	<u>96</u>

In respect of the highest paid Director, they were not part of any Share award schemes in either year. This Director is not a member of a defined benefit pension scheme.

9. Finance income

	Financial year ended 30 September 2021 £'000	Financial year ended 30 September 2020 £'000
Bank interest income	-	5
Foreign exchange gains	9	2
	<u>9</u>	<u>7</u>

10. Finance expense

	Financial year ended 30 September 2021 £'000	Financial year ended 30 September 2020 £'000
Bank interest expense	1	55
Lease interest (Note 14)	9	36
Foreign exchange losses	-	21
	<u>10</u>	<u>112</u>

11. Loss before taxation

	Financial year ended 30 September 2021 £'000	Financial year ended 30 September 2020 £'000
Loss before taxation is stated after expensing/(crediting):		
Depreciation on tangible assets (Note 13)	8	19
Depreciation on right-of-use assets (Note 14)	21	86
Foreign exchange losses	40	337
Loss from derivatives accounted at fair value through profit and loss	-	93
Government grant income	(213)	(31)
(Reversal)/Impairment of financial assets - expected credit loss (Note 15)	(140)	148
Impairment of financial assets – amounts written off	478	3
Provision for customer and legal claims (Note 17)	10	62
	<u>10</u>	<u>62</u>

Auditor's remuneration

In 2021 and 2020, the auditor's remuneration was borne and paid by TUI UK Limited and not recharged out.

12. Tax expense/(credit)

The tax expense/(credit) can be summarised as follows:

(i) Analysis of tax expense/(credit) in the financial year

	Financial year ended 30 September 2021 £'000	Financial year ended 30 September 2020 £'000
Current tax:		
Corporation tax at 12.5% (2020: 12.5%)	-	(381)
Adjustments in respect of previous periods	4	(5)
Total current tax	4	(386)
Deferred tax:		
Origination and reversal of temporary differences	(9)	1
Adjustments in respect of previous periods	5	-
Other	3	-
Total deferred tax	(1)	1
Total tax expense/(credit) in the Statement of Comprehensive Income	3	(385)

(ii) Factors affecting the tax expense/(credit) in the financial year

The tax expense (2020: credit) for the financial year ended 30 September 2021 is different to (2020: greater than) the standard rate of corporation tax in the Republic of Ireland of 12.5% (2020: 12.5%). The differences are shown in the table below:

	Financial year ended 30 September 2021 £'000	Financial year ended 30 September 2020 £'000
Loss before taxation	(524)	(3,045)
Loss before tax multiplied by the effective standard rate of corporation tax in the Republic of Ireland of 12.5% (2020: 12.5%)	(65)	(381)
Effects of:		
- Losses	58	-
- Expenses not deductible for tax purposes	1	1
- Adjustments in respect of previous periods	9	(5)
Total tax expense/(credit) in the Statement of Comprehensive Income	3	(385)

(iii) Factors affecting the future tax expense

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.

13. Tangible assets

	Equipment, fixtures and fittings £'000
Cost:	
At 1 October 2020	245
Transfers	(245)
At 30 September 2021	-
Accumulated depreciation:	
At 1 October 2020	(30)
Charge for the year	(8)
Transfers	38
At 30 September 2021	-
Net book value:	
At 30 September 2021	-
At 30 September 2020	215

14. Right-of-use assets

As a lessee, the Company recognises right-of-use assets and lease liabilities according to IFRS 16. All leases recognised in the Statement of Financial Position classified as 'right-of-use assets' relate to property leases.

	Property leases £'000
Cost:	
At 1 October 2020	822
Transfers	(822)
At 30 September 2021	-
Accumulated depreciation:	
At 1 October 2020	(86)
Charge for the year	(21)
Transfers	107
At 30 September 2021	-
Net book value:	
At 30 September 2021	-
At 30 September 2020	736

Information on the associated lease liabilities and details regarding the maturities of the lease payments not yet made at the Statement of Financial Position date are provided in Note 20, 'Leases'.

Expenses/(income) from leases with the Company as the lessee

	£'000
Depreciation of right-of-use assets	21
Interest expenses from lease liabilities	9

15. Trade and other receivables

	As at 30 September 2021		As at 30 September 2020	
	Non-current	Current	Non-current Restated	Current Restated
	£'000	£'000	£'000	£'000
Trade receivables	-	-	-	457
Amounts due from parent undertakings	-	-	50	-
Amount due from other group undertakings	17,791	-	98,152	-
Other receivables	-	174	-	19
Prepayments	-	1	-	347
VAT	-	-	-	316
	17,791	175	98,202	1,139

Amounts due from Group undertakings

The amounts classified as due from Group undertakings (excluding group relief) as at 30 September 2020, have been restated as they have been reclassified from current to non-current to reflect the fact that even though they are repayable on demand, the Company will not formally request payment of these balances within the next financial year.

Amounts due from Group undertakings are unsecured and repayable on demand. The total amounts due from Group undertakings amount to £17,791k (2020: £98,202k) £5,698k of this is interest free (2020: £98,202k), whilst the remaining balance of £12,093k (2020: £nil) bears interest at a rate of LIBOR.

Expected credit losses of £140k were reversed in the year (2020: £148k) were provided for in the year. FRS101 exemption has been taken from disclosure of transactions with wholly owned subsidiaries of the TUI AG group.

16. Trade and other payables

	As at 30 September 2021 £'000	As at 30 September 2020 £'000
Trade payables	35	585
Amounts due to parent undertakings	10,107	69,220
Amounts due to entities with significant control	5	4
Amount due to other group undertakings	1,598	1,539
Group relief payable	7	8
Other payables	123	1,579
Client monies received in advance	1	7,828
Taxation and social security	1	189
VAT	121	-
Accruals	32	2,706
	12,030	83,658

Amounts due to Group undertakings

Total amounts due to Group undertakings are unsecured and repayable on demand. Total amounts due to Group undertakings amount to £11,717k (2020: £70,771k) all of which is interest-free. FRS 101 exemption has been taken from disclosure of transactions with wholly owned subsidiaries of the TUI AG group.

17. Provisions for liabilities

Analysis of the movements during the financial year:

	Other costs £'000
At 1 October 2020	176
Provided during the financial year	10
Utilised during the financial year	(4)
At 30 September 2021	182

	As at 30 September 2021 £'000	As at 30 September 2020 £'000
<i>Analysed as:</i>		
Non-current	-	-
Current	182	176
	182	176

Other costs

Other provision of £182k (2020: £176k) relates to outstanding customer claims.

18. Deferred tax liabilities

	As at 30 September 2021 £'000	As at 30 September 2020 £'000
Capital allowances in excess of depreciation	-	4
	-	4

Movements in deferred taxation during the current financial year are analysed as follows:

	Capital allowances in excess of depreciation £'000
At 1 October 2019	3
Expense to the Statement of Comprehensive Income	1
At 30 September 2020	4
Credit to the Statement of Comprehensive Income	(1)
Transfer to other Group companies, recognised in the Statement of Financial Position	(3)
At 30 September 2021	-

There are no unrecognised deferred tax assets nor unprovided deferred tax liabilities at either 30 September 2021 or 30 September 2020.

19. Interest bearing loans and borrowings

	As at 30 September 2021		As at 30 September 2020	
	Non-current	Current	Non-current	Current
	£'000	£'000	£'000	£'000
Bank overdrafts	-	20	-	-
	<u>-</u>	<u>20</u>	<u>-</u>	<u>-</u>

20. Leases

The Company as a lessee

As a lessee, the Company leased an office building in the Republic of Ireland which was transferred to TUI Holidays Ireland Limited during the financial year.

Lease liabilities

Maturity analysis

	As at 30 September 2021 £'000	As at 30 September 2020 £'000
Not later than one year	-	110
Later than one year and not later than five years	-	393
Later than five years	-	294
	<u>-</u>	<u>797</u>
	As at 30 September 2021 £'000	As at 30 September 2020 £'000
Analysed as:		
Non-current	-	687
Current	-	110
	<u>-</u>	<u>797</u>

21. Called up share capital

	As at 30 September 2021 £'000	As at 30 September 2020 £'000
Authorised		
615,000 (2020: 615,000) preference shares of £1 each	615	615
600,000 (2020: 600,000) ordinary shares of £1 each	<u>600</u>	<u>600</u>
Issued and fully paid, presented as equity		
510,000 (2020: 510,000) ordinary shares of £1 each	<u>510</u>	<u>510</u>

22. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

23. Related party transactions

During the year, the Company entered into the following trading transactions with related parties:

Related party	Revenue		Expenses	
	As at	As at	As at	As at
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Joint Ventures of the Group	-	-	3	(121)
Associates of the Group	-	-	-	(18)
Entities with significant control	-	-	-	(189)
Total	-	-	3	(328)

The Company has taken advantage of the exemption contained in FRS101 as set out in Note 5.

The following amounts were outstanding at the Statement of Financial Position date:

Related party	Receivables outstanding		Payables outstanding	
	As at	As at	As at	As at
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Joint Ventures of the Group	-	-	(117)	(130)
Associates of the Group	-	-	-	-
Entities with significant control	-	-	(5)	(4)
Total	-	-	(122)	(134)

24. Post balance sheet events

The worldwide pandemic resulting from the spread of the COVID-19 virus has continued to cause a significant interruption to the Group's businesses. Given the Company has ceased trading, there has not been, nor is there expected to be any impact on the Company.

25. Ultimate parent company and controlling party

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

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 its registered address via Investor Relations, TUI AG, Karl-Wiechert-Allee 4, D-30625, Hannover or from the website www.tuigroup.com/en-en.

No other financial statements include the results of the Company.