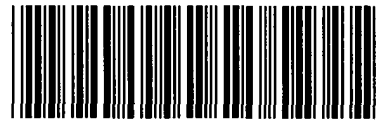


Thomson Travel Group (Holdings) Limited
Reports of the Directors and financial statements
for the year ended 30 September 2016
Company number 3226964

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COMPANIES HOUSE

The Directors present their Strategic and Directors' Reports on, and the audited financial statements of, Thomson Travel Group (Holdings) Limited (the "Company") for the year ended 30 September 2016.

STRATEGIC REPORT

The Company's principal activity during the year continued to be that of an intermediate holding company within the TUI AG group of companies (the "Group"). The Company's subsidiary entities consist mainly of holding companies.

Review of the business

The Company's profit on ordinary activities before taxation for the year ended 30 September 2016 was £37m (2015: loss £105m). No interim dividends were paid during the year (2015: £nil) and the Directors do not recommend the payment of a final dividend (2015: £nil).

As an intermediate holding company the Company's activity consists of transactions relating to its investments in subsidiary Group companies. During the year, the Company reversed a previous impairment in an investment in a subsidiary (Note 7) of £37,391,935, being the value of a dividend received after the balance sheet date from the subsidiary (Note 17).

Also during the year, a subsidiary of the Company was struck-off (Note 11). The carrying value of this investment had not been fully impaired during previous years, consequently a small loss of £347k was recognised on disposal in the statement of total comprehensive income.

Also during the year, the Company disposed of its investment in its main trading subsidiary, TUI UK Limited (TUKL). The disposal proceeds were equal to the carrying value of the investment, consequently no profit or loss was recognised on disposal in the statement of total comprehensive income.

On 16 May 2016, a Special Resolution was passed by the Directors of the Company in order to reduce the number of ordinary shares from 2,135,000,001 to 1.

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.

Key performance indicators

To effectively measure the development, performance and position of the Company, the following Key Performance Indicators (KPIs) are of most relevance.

	Year ended 30 September 2016 £m	Year ended 30 September 2015 £m
Profit/(loss) on ordinary activities before taxation	37	(105)
Net assets	106	69

As the Company does not employ personnel or provide tour operating services itself, analysis of the Company's performance using KPIs relating to environmental and employee matters are not considered relevant.

Funding, liquidity and going concern

At 30 September 2016, the Company had net assets of £106m (2015: £69m) and net current assets of £67m (2015: £nil). The Directors have considered the funding and liquidity position of the Company. Following this review, the Directors consider it appropriate to continue to prepare the financial statements on the going concern basis.

The Directors consider the future outlook of the Company to be satisfactory.

Post balance sheet events

Details of post balance sheet events are included in Note 17 of these financial statements.

STRATEGIC REPORT (continued)

Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101")

The Company has adopted FRS 101 for the year ended 30 September 2016. There was no impact on net assets as at 1 October 2014, being the date of transition, 30 September 2015 or on the results for the year ended 30 September 2015.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are:

- **Profitability of the Company's subsidiaries and dividends received.** Dividends received from the Company's subsidiaries are variable and the timing and amount of each dividend is dependent upon the long-term success and profitability of each subsidiary. Since the majority of the Company's profits are generated by dividends received from its subsidiaries, the Company's profitability from one year to another can therefore vary significantly.
- **Recoverability of the carrying value of investments.** The Company provides capital to its subsidiary undertakings when necessary in order to promote their long-term development and success. The recoverability of each investment will depend upon this long-term success and the future cash flows that are expected to be generated by each subsidiary. To the extent that the future cash flows do not support the carrying value of the investment, an impairment is required to be recognised in the Company's statement of total comprehensive income.

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 49-65 of the TUI AG Annual report and Accounts, 2015/16. Details of where these financial statements can be obtained are in Note 18 of these financial statements.

On behalf of the Board



A K Jarvis
Director

Company Number 3226964

Dated 26 June 2017

DIRECTORS' REPORT

Directors

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

D J Burling	(appointed 16 December 2015)
A K Jarvis	(appointed 16 December 2015)

Other Directors who served during the year were:

W H Waggott	(resigned 5 January 2016)
J Walter	(resigned 18 December 2015)

Independent auditors

Following a decision by the Audit Committee and Supervisory Board of the ultimate parent company TUI AG, the Group audit appointment for the year ending 30 September 2017 will be rotated in line with EU regulations, and Deloitte LLP are expected to be appointed as auditor of the TUI Group, including of the Company, during 2017.

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 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.

Information included in strategic report

A fair review of the business, including an analysis of the performance and financial position of the Company, together with details of key performance indicators, dividends, funding and liquidity, future developments and post balance sheet events are included within the Strategic Report.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Reports of the Directors and 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 and used in the preparation of 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.

DIRECTORS' REPORT (continued)

Statement of Directors' responsibilities (continued)

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



A K Jarvis
Director

Company Number 3226964

Dated 26 June 2017

Report on the financial statements

Our opinion

In our opinion, Thomson Travel Group (Holdings) 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 2016 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Report of the Directors and financial statements ["the Annual Report"], comprise:

- the Balance sheet as at 30 September 2016;
- the Statement of total comprehensive income for the year then ended;
- the Statement of changes in equity 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 United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (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.

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 addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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.

Other matters on which we are required to report by exception (continued)

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 on pages 4 and 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Robert Girdlestone (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
26 June 2017

Thomson Travel Group (Holdings) Limited
Statement of total comprehensive income for the year ended 30 September 2016

		Year ended 30 September 2016 £m	Year ended 30 September 2015 £m
	Note		
Administrative credits		-	1
Operating result/profit		-	1
Impairment reversal/(reversal) of investments in subsidiary undertakings		37	(106)
Loss on disposal of investments		-	-
Profit/(loss) on ordinary activities before taxation	7	37	(105)
Tax on profit/(loss) on ordinary activities	9	-	-
Profit/(loss) for the financial year attributable to owners of the parent		37	(105)
Total comprehensive profit/(loss) for the year attributable to owners of the parent		37	(105)

Thomson Travel Group (Holdings) Limited
Balance sheet as at 30 September 2016

		30 September 2016	30 September 2015
	Note	£m	£m
Non-current assets			
Investments in subsidiaries	11	<u>39</u>	<u>69</u>
		39	69
Current assets			
Trade and other receivables	12	<u>90</u>	<u>24</u>
		90	24
Total assets		<u>129</u>	<u>93</u>
Current liabilities			
Trade and other payables	13	<u>(23)</u>	<u>(24)</u>
		(23)	(24)
Total liabilities		<u>(23)</u>	<u>(24)</u>
Net assets		<u>106</u>	<u>69</u>
Equity			
Called up share capital	14	-	427
Profit and loss account	15	<u>106</u>	<u>(358)</u>
Total equity attributable to owners of the parent		<u>106</u>	<u>69</u>

The notes on pages 11 to 18 form part of these financial statements.

The financial statements on pages 8 to 18 were approved and authorised for issue by the Board of Directors on 26 June 2017 and signed on its behalf by:



A K Jarvis
Director

Thomson Travel Group (Holdings) Limited
Statement of changes in equity for the year ended 30 September 2016

	Note	Called up share capital £m	Profit and loss account £m	Total £m
At 1 October 2014		-	(253)	(253)
Total comprehensive loss for the year		-	(105)	(105)
Issue of share capital		427	-	427
At 30 September 2015		427	(358)	69
Total comprehensive profit for the year		-	37	37
Share capital reduction	14	(427)	427	-
At 30 September 2016		-	106	106

1. General information

The Company is a private limited company incorporated and domiciled in England. The address of its registered office is TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex, RH10 9QL. The Company's registered number is 3226964.

The principal activity of the Company continues to be that of an intermediate holding company within the TUI AG group of companies (the "Group").

2. Basis of preparation

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The financial statements have been prepared under the historical cost convention, on a going concern basis and in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

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 EU-adopted International Financial Reporting Standard ("IFRS").

The Company has elected to adopt FRS 101 for the year ended 30 September 2016. In addition to adopting FRS 101, the Company has also elected to early adopt both the provisions of Statutory Instruments 2015 No.980 'The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015' ("SI 980") and FRS 101 (September 2015) which permit the use of the formats prescribed in International Accounting Standard 1 'Presentation of financial statements' ("IAS 1") for the primary statements, as opposed to using the formats prescribed by the Companies Act 2006.

Further details of the impact of this transition as at 1 October 2014 and for the year ending 30 September 2015 are found in Note 3.

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 million pounds.

3. Impact of transition on the financial statements

As stated in Note 2, these are the Company's first financial statements prepared in accordance with FRS 101 and SI 980.

The accounting policies set out in Note 4 have been applied in preparing the financial statements for the year ended 30 September 2016, the comparative financial information presented in these financial statements for the year ended 30 September 2015 and the opening FRS 101 balance sheet at 1 October 2014 (the Company's date of transition).

In preparing the opening FRS 101 balance sheet as at 1 October 2014, the comparative balance sheet as at 30 September 2015 and the statement of total comprehensive income for the year ended 30 September 2015, the Company has considered whether adjustments to amounts previously reported in the Company's financial statements, which were prepared in accordance with the old basis of accounting under United Kingdom Generally Accepted Accounting Practice ("UK GAAP") are necessary.

No transition adjustments were necessary for the balance sheet as at 1 October 2014, the comparative balance sheet as at 30 September 2015 and the statement of total comprehensive income for the year ended 30 September 2015.

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.

New and amended standards adopted by the Company

The following narrow scope amendments to existing standards have been endorsed by the EU and are effective in the current year:

- Amendments to IAS 19 'Employee benefits' on defined benefit plans;
- Annual improvements project 2012, covering IFRS 2 'Share based payments', IFRS 3 'Business combinations', IFRS 8 'Operating segments', IFRS 13 'Fair value measurement', IAS 16 'Property, plant and equipment', IAS 24 'Related party disclosures' and IAS 38 'Intangible assets'; and
- Annual improvements project 2013, covering IFRS 1 'First-time adoption of International Financial Reporting Standards', IFRS 3 'Business combinations', IFRS 13 'Fair value measurement' and IAS 40 'Investment property'.

None of the amendments to each individual standard are considered material to the Company and hence there has been no impact on these financial statements as a result of adopting the amended standards.

Investments in subsidiaries

Investments are recognised at cost less accumulated impairment losses. An impairment loss is recognised for the amount by which the investment's carrying amount exceeds its recoverable amount, which is the higher of the investment's fair value less costs of disposal and its value in use.

Trade and other receivables

Trade and other receivables are amounts due from Group undertakings for services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets, if not, they are presented as non-current assets. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less impairment losses

Impairment of financial assets

The Company's financial assets held at amortised cost are assessed at the end of each reporting period for impairment. *Impairment losses are incurred only if there is objective evidence of the impairment as a result of one or more events after the initial recognition of the asset (a 'loss event') and that the loss event has an impact on the estimated future cash flows of the asset that can be reliably estimated.*

Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from Group companies. If payment is expected in one year or less they are classified as current liabilities, if not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

Foreign currency translation

Foreign currency transactions are initially translated into the Company's functional currency using the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing on the balance sheet date. Foreign exchange gains and losses resulting from translation to year-end rates are recognised in the statement of total comprehensive income.

Current tax

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

Called up share capital

Ordinary shares are classified as equity.

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 18. 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
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.
	38 A to D	Certain additional comparative information.
	10(d) and 111	A statement of cash flows and related information.
	10(f) and 40 A to D	A balance sheet as at the beginning of the preceding financial period when an entity applies an accounting policy retrospectively or when it reclassifies items in its financial statements.
	16	A statement of compliance with all IFRS.
	134 to 136	Information on the Company's objectives, policies and processes for managing capital.
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.
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.

6. Critical accounting estimates and judgments

The preparation of financial statements in conformity with FRS 101 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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:

a) Investments in subsidiary undertakings

Judgement is required in the assessment of the carrying amount of the investments in the Company's direct undertakings. Estimation of the recoverable amount of investments requires the Company to assess future cash flows projected to be generated by the subsidiary, which in turn is dependent upon a variety of factors including prevailing economic conditions and consumer demand for that entity's products. Details of the carrying amounts of investments in subsidiaries are provided in Note 11.

7. Profit/(loss) on ordinary activities before taxation

	Year ended 30 September 2016 £m	Year ended 30 September 2015 £m
Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):		
(Reversal)/impairment of investments in subsidiary undertakings	(37)	106
Loss on disposal of investments (Note 11)	-	-

Loss on disposal of investments

During the year, Thomson Travel Group SA, a subsidiary of the Company, was struck-off. A loss of £347,013, the carrying value of the investment at the date of strike off, was recognised on disposal in the profit and loss account.

(Reversal)/impairment of investments in subsidiary undertakings

During the year the Directors of the Company have considered the carrying amount of investments in subsidiary undertakings, taking into consideration future cashflows. The Company's investment in Specialist Holidays Group Limited (SHGL) had previously been fully impaired down to a carrying amount of nil, however post year end (Note 17) SHGL declared a dividend of £37,391,935 to the Company. This dividend is expected to be the only future cashflow resulting from the Company's investment in SHGL. Therefore the Directors have decided to reverse the Company's previous impairment in respect of the investment in SHGL to the extent of the dividend received post year end.

On 30 September 2015 the Company held 63.5% of the share capital of TUKL. The net assets of TUKL were £105m. Consequently the Company recognised an impairment of £106m to bring the carrying amount of the investment down to £66,675,000 (£105m x 63.5%).

Auditors' remuneration

In 2016 and 2015, the auditors' remuneration was paid by another Group company. It has not been possible to separately identify the audit fee related to this entity.

8. Employees and Directors

The Company had no employees and therefore incurred no related employee costs in the current or preceding financial year.

Directors' remuneration

The Directors received no remuneration for their services as Directors of the Company (2015: £nil). The Company's Directors are directors of a number of fellow subsidiary companies and their remuneration was paid by another Group company, which makes no recharge to the Company (2015: £nil). It is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries.

9. Tax result

The tax result can be summarised as follows:

(i) Analysis of tax result

There was no tax charge in the current or prior year.

(ii) Factors affecting the tax result in the year

The tax result (2015: result) for the year ended 30 September 2016 is different to (2015: different to) the standard rate of corporation tax in the UK of 20.0% (2015: 20.5%). The differences are shown in the table below:

	Year ended 30 September 2016 £m	Year ended 30 September 2015 £m
Profit/(loss) on ordinary activities before taxation	37	(105)
Profit/(loss) on ordinary activities multiplied by the effective standard rate of UK corporation tax of 20.0% (2015: 20.5%)	7	(22)
Effects of:		
Expenses not deductible for tax purposes	-	22
Income not taxable	(7)	-
Total tax result in the statement of total comprehensive income	-	-

(iii) Factors affecting the future tax charge

The rate of taxation is expected to follow the standard rate of UK corporate tax in future periods.

At the balance sheet date, the Finance Act 2016 had been substantively enacted confirming that the main UK corporation tax rate will reduce to 19% with effect from 1 April 2017 and 17% from 1 April 2020. These reductions may also reduce the Company's future current tax expenses accordingly.

10. Dividends

No dividends were paid during the current or previous year.

11. Investments in subsidiaries

	Investments in subsidiary undertakings £m
Cost:	
At 1 October 2015	1,399
Additions	-
Disposals	(1,117)
At 30 September 2016	282
Impairment:	
At 1 October 2015	1,330
Credited during the year (Note 7)	(37)
Disposals	(1,050)
At 30 September 2016	243
Net book value:	
At 30 September 2016	39
At 30 September 2015	69

11. Investments in subsidiaries (continued)

Disposals:

Disposals in investments comprise the following transactions which occurred during the year ended 30 September 2016:

Subsidiary	Date of disposal	Total consideration £'000	Carrying value of investment disposed £'000	Profit/(loss) on disposal £'000
Thomson Travel Holdings SA	30 December 2015	-	347	(347)
TUI UK Limited	14 September 2016	66,675	66,675	-
		66,675	67,022	(347)

On 30 December 2015, Thomson Travel Holdings SA was dissolved and the Company disposed of its investment.

On 14 September 2016, the Company sold its investment in TUI UK Limited to TUI Travel Holdings Ltd, a fellow group undertaking, at the carrying value stated above.

List of investments in subsidiaries at 30 September 2016:

Name of undertaking	Country of incorporation	Registered address	Share class	% held directly by the Company	Total % held by the Group
AMP Management Limited	United Kingdom	TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex, RH10 9QL	£1.00 ordinary shares	100.00	100.00
Crystal Holidays Limited	United Kingdom	TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex, RH10 9QL	£1.00 'A' ordinary shares £1.00 'B' ordinary shares	- -	100.00 100.00
Crystal International Travel Group Limited	United Kingdom	TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex, RH10 9QL	£1.00 ordinary shares £1.00 'A' ordinary shares	- -	100.00 100.00
Explorers Travel Club Limited	United Kingdom	TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex, RH10 9QL	£1.00 ordinary shares	100.00	100.00
Lunn Poly Limited	United Kingdom	TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex, RH10 9QL	£1.00 ordinary shares	100.00	100.00
Ocean College LLC	Egypt	Sharm el Sheikh, governorate of South Sinai.	EGP1.00 ordinary shares	-	100.00
Ocean Ventures For Hotel And Tourism Services SAE	Egypt	Sharm el Sheikh, governorate of South Sinai.	EGP1.00 ordinary shares	-	98.00
Serac Travel GmbH	Switzerland	Chalet Camelia 9, 1936 Verbier.	CHF1,000.00 bearer shares CHF18,000.00 bearer shares	100.00 100.00	100.00 100.00
Simply Travel Holdings Limited	United Kingdom	TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex, RH10 9QL	£1.00 ordinary shares	100.00	100.00
Sons Of South Sinai For Tourism Services And Supplies SAE	Egypt	Ledger Consulting, 5th Floor, 136 Osman EBN Afan, Misr El Gadida, Cairo.	EGP1.00 ordinary shares	-	84.13
Specialist Holiday Group Ireland Limited	Ireland	One Spencer Dock, North Wall Quay, Dublin1.	€1.25 ordinary shares	-	100.00

Thomson Travel Group (Holdings) Limited
Notes to the financial statements for the year ended 30 September 2016

Name of undertaking	Country of incorporation	Registered address	Share class	% held directly by the Company	Total % held by the Group
Specialist Holidays Contracting Limited	United Kingdom	TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex, RH10 9QL	£1.00 ordinary shares	-	100.00
Specialist Holidays Group Limited	United Kingdom	TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex, RH10 9QL	£0.01 ordinary shares	100.00	100.00
Specialist Holidays Limited	United Kingdom	TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex, RH10 9QL	£1.00 ordinary shares	-	100.00
Thomson Reisen GmbH	Austria	Schmiedweg 6, 6380 St Johann in Tirol.	€72.67 shares	0.10	100.00
Tropical Places Limited	United Kingdom	TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex, RH10 9QL	£1.00 ordinary shares	-	100.00
TUI Travel (Ireland) Limited	Ireland	One Spencer Dock, North Wall Quay, Dublin1.	€0.01 ordinary shares	0.00	100.00

The Directors believe that the book value of all existing investments is supported by their recoverable value.

12. Trade and other receivables

	30 September 2016	30 September 2015
	£m	£m
Amounts due from Group undertakings	<u>90</u>	<u>24</u>

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

13. Trade and other payables

	30 September 2016	30 September 2015
	£m	£m
Amounts due to Group undertakings	<u>23</u>	<u>24</u>

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

14. Called up share capital

	30 September 2016	30 September 2015
	£m	£m
Issued and fully paid		
1 (2015: 2,135,000,001) ordinary share of £0.20 each	<u>-</u>	<u>427</u>

Share capital reduction

On 16 May 2016, a Special Resolution was passed by the Directors of the Company in order to reduce the number of ordinary shares from 2,135,000,001 to 1.

15. Reserves

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

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

16. Financial commitments

On 10 August 2015 the Company agreed to act as a guarantor to TUI AG's external bank revolving credit facilities of €1,750m which include a letter of credit tranche in an aggregate amount of €215m. The Company considers that the likelihood of this guarantee being called is remote, accordingly the fair value of the guarantee is trivial and it has not been recognised in the balance sheet.

On 10 August 2015 the Company agreed to act as a guarantor to an indenture concerning €300m 4.5% senior notes due 2019 that had been issued by TUI AG which has been redeemed after year end.

17. Post balance sheet events

Subsequent to the year end the following post balance sheet events have occurred:

On 12 December 2016, the Company received an interim dividend of £37,391,935 from Specialist Holidays Group Limited. On the same date, the Company declared an interim dividend of £100,000,000 to TUI Northern Europe Limited.

18. 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 Northern Europe 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.tuigroup.com/en-en. No other financial statements include the results of the Company.