

Thomson Travel Group (Holdings) Limited
Annual Reports and financial statements
for the financial year ended 30 September 2017
Company number 3226964

FRIDAY



A793NWFN

A33

29/06/2018

#191

COMPANIES HOUSE

Thomson Travel Group (Holdings) Limited
Contents

	Page
Directors and other Information	2
Strategic Report	3-4
Directors' Report	5
Statement of Directors' responsibilities	6
Independent auditor's report	7-8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the financial statements	12-19

Thomson Travel Group (Holdings) Limited
Directors and Other Information

Directors

R Coldrake
A K Jarvis

Registered Office

Wigmore House
Wigmore Lane
Luton
Bedfordshire
LU2 9TN

Independent Auditor

Deloitte LLP
Statutory auditor
1 New Street Square
London
EC4A 3BZ

Bankers

Citibank N.A.
Canada Square
Canary Wharf
London
United Kingdom

Registered number

3226964

STRATEGIC REPORT

The Directors present their Strategic Report and audited financial statements of Thomson Travel Group (Holdings) Limited (the "Company") for the financial year ended 30 September 2017.

Principal activity

The Company's principal activity during the financial 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.

Results and dividends

The Company's profit before taxation for the financial year ended 30 September 2017 was £5,781k (2016: £36,924k). The Company paid an interim dividend of £100m (2016: £nil) and the Directors do not recommend the payment of a final dividend (2016: £nil).

Business Review

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

	Financial year ended 30 September 2017 £'000	Financial year ended 30 September 2016 £'000
Profit before taxation	5,781	36,924
Net assets	11,179	105,384

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.

As an intermediate holding company the Company's activity consists of transactions relating to its investments in subsidiary Group companies. During the financial year, the Company fully impaired an investment in a subsidiary to the value of £37,392k and reversed an impairment in an subsidiary to the value of £394k (Note 6).

Funding, liquidity and going concern

At 30 September 2017, the Company had net assets of £11,179k (2016: £105,384k) and net current assets of £9,189k (2016: £66,396k). 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 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 Directors consider the future outlook of the Company to be satisfactory.

Post balance sheet events

Investments were disposed of post year end. Refer to Note 17 for the details of post balance sheet events.

STRATEGIC REPORT (continued)

Principal risks and uncertainties

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 financial 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 Comprehensive Income.

Financial risk. The Company's activities expose it to a limited measure of financial risk; including credit risk, liquidity risk and cash flow risk.

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 of TUI are to ensure sufficient liquidity for TUI AG and its subsidiaries and to limit financial risks from fluctuations in currencies, commodity prices and interest rates. 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) TUI uses syndicated credit facilities and bi-lateral 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. Planning of bank transactions is based on a monthly rolling liquidity planning system.

Details of the Group's financial management strategies are included in the risk report of the TUI AG Annual Report.

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

During the financial 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 30-45 of the TUI AG Annual report and Accounts, 2017/18. 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

DIRECTORS' REPORT

The Directors present their Directors' Report and audited financial statements of Thomson Travel Group (Holdings) Limited (the "Company") for the financial year ended 30 September 2017.

Directors

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

R Coldrake (appointed 27 April 2018)
A K Jarvis

Other Directors who served during the year were:

DJ Burling (resigned 27 April 2018)

Independent auditor

Following a decision by the Audit Committee and Supervisory Board of the ultimate parent company TUI AG, the Group audit appointment for the financial year ending 30 September 2017 was rotated in line with EU regulations, and 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.

Information included in Strategic report

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

On behalf of the Board



A K Jarvis
Director

Company Number 3226964

Dated 28 June 2018

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Reports 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 '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 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 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. 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.

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2017 and of its profit 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 of Thomson Travel Group (Holdings) Limited (the 'Company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 18.

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 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.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

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.

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Date: 28 June 2018

Thomson Travel Group (Holdings) Limited
Statement of Comprehensive Income for the financial year ended 30 September 2017

		Financial year ended 30 September 2017 £'000	Financial year ended 30 September 2016 £'000
	Note		
Administrative expenses		(16)	(121)
Operating profit		(16)	(121)
(Impairment)/ reversal of investments in subsidiary undertakings	6	(36,998)	37,392
Profit/(loss) on the sale of investments in subsidiaries		-	(347)
Income from shares in Group undertakings	7	42,795	-
Profit before taxation	6	5,781	36,924
Tax income/(expense)	9	14	-
Profit for the financial year attributable to owners of the parent		5,795	36,924
Total comprehensive income for the financial year attributable to owners of the parent		5,795	36,924

Thomson Travel Group (Holdings) Limited
Statement of Financial Position as at 30 September 2017

		Financial year ended 30 September 2017 £'000	Financial year ended 30 September 2016 £'000
	Note		
Non-current assets			
Investments in subsidiaries	11	1,990	38,988
		<u>1,990</u>	<u>38,988</u>
Current assets			
Trade and other receivables	12	9,852	90,162
		<u>9,852</u>	<u>90,162</u>
Total assets		<u>11,842</u>	<u>129,150</u>
Current liabilities			
Trade and other payables	13	(663)	(23,766)
		<u>(663)</u>	<u>(23,766)</u>
Total liabilities		<u>(663)</u>	<u>(23,766)</u>
Net assets		<u>11,179</u>	<u>105,384</u>
Equity			
Called up share capital	14		
Retained Earnings	15	11,179	105,384
Total equity attributable to owners of the parent		<u>11,179</u>	<u>105,384</u>

The notes on pages 12 to 19 form part of these financial statements.

The financial statements on pages 9 to 19 were approved and authorised for issue by the Board of Directors on 28 June 2018 and signed on its behalf by:



A K Jarvis
 Director
 Company Number 3226964

Thomson Travel Group (Holdings) Limited
Statement of Changes in Equity for the financial year ended 30 September 2017

	Note	Called up share capital £'000	Retained Earnings £'000	Total £'000
At 1 October 2015		427,000	(358,540)	68,460
Total comprehensive income for the financial year		-	36,924	36,924
Share capital reduction		(427,000)	427,000	-
At 30 September 2016		-	105,384	105,384
Total comprehensive income for the financial year		-	5,795	5,795
Dividends paid	10	-	(100,000)	(100,000)
At 30 September 2017		-	11,179	11,179

1. General information

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

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic Report on pages 3-4.

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The Directors, having assessed the responses of the directors of the Company's parent, TUI Northern Europe Limited, to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the TUI AG group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of the parent, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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, unless stated otherwise.

3. 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.

Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Company has applied a number of 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 2016. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 <i>Disclosure Initiative</i>	The Company has adopted the amendments to IAS 1 Disclosure Initiative for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.
---	---

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 non-functional 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 Comprehensive Income and are classified within the Statement of Comprehensive Income in the same category to which the underlying item is recognised.

Investments in subsidiaries

Investments are recognised at cost less accumulated impairment losses.

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 financial 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 and cost less impairment is 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 financial 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.

Current tax

The tax expense for the financial year comprises current 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. 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.

4. 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.
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 statement of Financial Position 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.

5. 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 on-going 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 financial year are disclosed as follows:

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.

6. Profit before taxation

	Financial year ended 30 September 2017 £'000	Financial year ended 30 September 2016 £'000
Profit before taxation is stated after (charging)/crediting:		
Reversal of impairments of investments in subsidiary undertakings	394	37,392
(Impairment) of investments in subsidiary undertakings	<u>(37,392)</u>	<u>-</u>

(Impairment)/reversal of investments in subsidiary undertakings

During the financial year, the Directors of the Company have considered the carrying amount of investments in subsidiary undertakings, taking into consideration future cashflows. During the financial year, the Company's investment in Specialist Holidays Group Limited (SHGL) has been fully impaired down to a carrying amount of £nil. SHGL was subsequently dissolved on 21 November 2017. The investment in Explorers Travel Club Limited was revalued to the current net asset value at year end.

Auditor's remuneration

In 2017 and 2016, the auditor's remuneration was borne and paid by TUI UK Limited and not recharged out separately, thus £nil in both years.

7. Income from shares in Group undertakings

Income from shares in Group undertakings comprises dividends

	Financial year ended 30 September 2017 £'000	Financial year ended 30 September 2016 £'000
Company		
Specialist Holidays Group Limited	<u>42,795</u>	<u>-</u>

8. Employees and Directors

The Company had no employees in either the current or prior financial year.

Directors' remuneration

The Directors received no remuneration (2016: £nil) for their services as Directors of the Company or for managing the affairs of the Company. The remuneration of all (2016: all) of the Company's Directors was paid by other group entities. It is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Their total emoluments are included in the aggregate of Directors' emoluments disclosed in the financial statements of another Group company. There were no qualifying services for the current or prior year.

9. Tax (income)/expense

The tax result can be summarised as follows:

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

	Financial year ended 30 September 2017 £'000	Financial year ended 30 September 2016 £'000
Current tax:		
Amounts receivable from fellow subsidiaries for group relief	(3)	-
Adjustment in respect of prior period	(11)	-
Total current tax	(14)	-
Total tax (income)/expense in the Statement of Comprehensive Income	(14)	-

(ii) Factors affecting the tax result in the financial year

The tax income (2016: expense) for the financial year ended 30 September 2017 is less than (2016: less than) the standard rate of corporation tax in the UK of 19.5% (2016: 20.0%). The differences are shown in the table below:

	Financial year ended 30 September 2017 £'000	Financial year ended 30 September 2016 £'000
Profit before taxation	5,781	36,924
Profit multiplied by the effective standard rate of UK corporation tax of 19.5% (2016: 20.0%)	1,127	7,385
Effects of:		
Expenses not deductible for tax purposes	7,215	93
Income not taxable	(8,345)	(7,478)
Adjustment in respect of prior periods	(11)	-
Total tax (income)/expense in the Statement of Comprehensive Income	(14)	-

(iii) Factors affecting the future tax expense

The rate of taxation is expected to follow the standard rate of UK corporation tax in future periods:

At the Statement of financial position date, both Finance (No. 2) 2015 Act and Finance Act 2016 had been substantively enacted confirming that the main UK corporation tax rate reduced to 19% with effect from 1 April 2017 and will reduce further to 17% from 1 April 2020. These reductions may reduce the Company's future tax expenses accordingly.

There are no unrecognised deferred tax assets nor unprovided deferred tax liabilities at either 30 September 2017 or 30 September 2016.

10. Dividends

The aggregate amount of dividends paid during the financial year comprises:

	Financial year ended 30 September 2017 £'000	Financial year ended 30 September 2016 £'000
Interim dividend of £100m per ordinary share	100,000	-

During the financial year ended 30 September 2017, the Company paid an interim dividend to its sole shareholder of £100,000k (2016: £nil):

Thomson Travel Group (Holdings) Limited
Notes to the financial statements for the financial year ended 30 September 2017

11. Investments in subsidiaries

	Investments in subsidiary undertakings £'000
Cost:	
At 1 October 2016	281,984
Additions	
Disposals	(24,478)
At 30 September 2017	257,506
Impairment:	
At 1 October 2016	242,996
Charged during the financial year (Note 6)	36,998
Disposals	(24,478)
At 30 September 2017	255,516
Net book value:	
At 30 September 2017	1,990
At 30 September 2016	38,988

Disposals:

Disposals in investments comprise the following transactions which occurred during the financial year ended 30 September 2017:

Subsidiary	Date of disposal	Total consideration £'000	Carrying value of investment disposed £'000	Profit/(loss) on disposal £'000
Simply Travel Holdings Limited	11 October 2016 (dissolved)	-	-	-

List of Investments in subsidiaries at 30 September 2017:

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	Wigmore House, Wigmore Lane, Luton, Bedfordshire, LU2 9TN	£1.00 ordinary shares	100.00	100.00
Explorers Travel Club Limited	United Kingdom	Wigmore House, Wigmore Lane, Luton, Bedfordshire, LU2 9TN	£1.00 ordinary shares	100.00	100.00
Lunn Poly Limited	United Kingdom	Wigmore House, Wigmore Lane, Luton, Bedfordshire, LU2 9TN	£1.00 ordinary shares	100.00	100.00
Serac Travel GmbH	Switzerland	Chalet Camella 9, 1936 Verbier	CHF1,000.00 bearer shares	100.00	100.00
			CHF18,000.00 bearer shares	100.00	100.00
Specialist Holidays Group Limited	United Kingdom	Wigmore House, Wigmore Lane, Luton, Bedfordshire, LU2 9TN	£0.01 ordinary shares	100.00	100.00
Thomson Reisen GmbH	Austria	Schmiedweg 6, 6380 St Johann In Tirol	€72.67 shares	0.10	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

	Financial year ended 30 September 2017 £'000	Financial year ended 30 September 2016 £'000
Amounts due from immediate parent	4,431	76,475
Amounts due from other group undertakings	5,421	13,687
	<u>9,852</u>	<u>90,162</u>

Amounts due from Group undertakings are unsecured, bear no interest and are repayable on demand.
All amounts due from Group undertakings, in both the current and prior years, are due from wholly owned members of the TUI AG Group of companies.

13. Trade and other payables

	Financial year ended 30 September 2017 £'000	Financial year ended 30 September 2016 £'000
Amounts due to subsidiaries	663	23,760
Amounts due to other group undertakings	-	6
	<u>663</u>	<u>23,766</u>

Amounts due from Group undertakings are unsecured, bear no interest and are repayable on demand.
All amounts due from Group undertakings, in both the current and prior years, are due from wholly owned members of the TUI AG Group of companies.

14. Called up share capital

	Financial year ended 30 September 2017 £'000	Financial year ended 30 September 2016 £'000
Authorised 1 ordinary share of £0.20 each	-	-
Issued and fully paid 1 ordinary share of £0.20 each	-	-

15. 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.

16. Financial commitments

The Company acts 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 acts as a guarantor for the benefit of holders of the 2.125% senior notes due 2021 that had been issued by TUI AG. The Company considers that the likelihood of this guarantees being called is remote and accordingly the fair value of the guarantee is trivial and so has not been recognised in the Statement of Financial Position.

17. Post balance sheet events

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

- i) Specialist Holidays Group Limited (SHGL) was dissolved on 21 November 2017 and AMP Management Limited was dissolved on 6 February 2018.

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, 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: 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.