

TUI Northern Europe Limited
Reports of the Directors and financial statements
for the year ended 30 September 2016
Company number 3490138

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TUI Northern Europe Limited
Reports of the Directors for the year ended 30 September 2016

The Directors present their Strategic and Directors' Reports on and the audited financial statements of TUI Northern Europe 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") which operate within the leisure travel industry in the UK and the Republic of Ireland. These companies organise and sell package holidays, scheduled air seats and related travel services. This principal activity is expected to continue for the foreseeable future.

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

The Company has adopted FRS 101 for the year ended 30 September 2016 as its basis of accounting. There was no impact on net assets as at 1 October 2014, being the date of transition, nor for the year ended 30 September 2015. Further details of the impact of transition are set out in Note 3.

Review of the business

The Company's profit on ordinary activities before taxation for the year ended 30 September 2016 was £9m (2015: £83m). No interim dividends were paid during the year (2015: £nil) and the Directors do not recommend the payment of a final dividend (2015: £nil).

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 on ordinary activities before taxation	9	83
Net assets	131	125

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 and joint ventures. On 13 November 2015 the Company sold its 50% shareholding in the joint venture undertaking Safeharbour One SL, together with its wholly-owned subsidiary undertaking Bella Vista EAD, for total consideration of £11m. The Company received £2m in cash on signing with the remaining £9m to be paid over the next three years and secured by a second degree mortgage. After deducting a carrying amount for the investment of £2m and a capital gains tax charge (payable in Spain) of £2m, the Company recognised a profit on disposal of £7m.

On 13 November 2015, the Company disposed of its joint venture investment in Safeharbour One SL for €15m resulting in a profit on disposal of £9m. The disposal consideration was payable over five annual instalments starting in November 2015.

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.

STRATEGIC REPORT (continued)

Funding, liquidity and going concern

At 30 September 2016, the Company had net assets of £131m (2015: £125m). 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 23 of these financial statements.

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 and joint ventures are variable and the timing and amount of each dividend is dependent upon the long-term success and profitability of each subsidiary and joint venture. Since the majority of the Company's profits are generated by either dividends received from its subsidiaries and joint ventures or profits on their disposal, 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 and joint ventures 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 or joint venture. 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 24 of these financial statements.

On behalf of the Board



A K Jarvis
Director

Company Number 3490138

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 30 November 2015)
A K Jarvis	(appointed 30 November 2015)
T G Pietzka	

Other Directors who served during the year were:

J Walter	(resigned 18 December 2015)
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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 the 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, a description of the principal risks and uncertainties facing the company, 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 3490138

Dated 26 June 2017

Report on the financial statements

Our opinion

In our opinion, TUI Northern Europe 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.
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What we have audited

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

- the Balance Sheet as at 30 September 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.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities set out on pages 3-4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves


We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. 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

TUI Northern Europe 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		2	2
Operating profit		2	2
Income from shares in Group undertakings	7	-	439
Amounts written off investments	8	(2)	(358)
Profit on disposal of investments	8	9	-
Profit on ordinary activities before taxation	8	9	83
Tax on profit on ordinary activities	9	(3)	-
Profit for the financial year attributable to owners of the parent		6	83
Total other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurements of defined benefit pension schemes		-	-
Movement on deferred tax relating to defined benefit pension scheme		-	-
Total comprehensive income for the financial year attributable to owners of the parent		6	83

TUI Northern Europe Limited
Balance sheet as at 30 September 2016

		30 September 2016	30 September 2015
	Note	£m	£m
Non-current assets			
Investments in subsidiaries	11	72	74
Investments in joint ventures	12	26	28
Trade investments	13	4	4
Interest bearing loans and receivables	14	9	-
Deferred tax assets	15	2	4
		<u>113</u>	<u>110</u>
Current assets			
Interest bearing loans and receivables	14	2	-
Trade and other receivables	16	3	2
Cash and cash equivalents		95	34
		<u>100</u>	<u>36</u>
Total assets		<u>213</u>	<u>146</u>
Current liabilities			
Trade and other payables	17	(79)	(18)
		<u>(79)</u>	<u>(18)</u>
Non-current liabilities			
Derivative financial liabilities	18	(1)	-
Retirement benefit liabilities	19	(2)	(3)
		<u>(3)</u>	<u>(3)</u>
Total liabilities		<u>(82)</u>	<u>(21)</u>
Net assets		<u>131</u>	<u>125</u>
Equity			
Called up share capital	20	-	-
Profit and loss account		131	125
Total equity attributable to owners of the parent		<u>131</u>	<u>125</u>

The notes on pages 10 to 26 form part of these financial statements.

The financial statements on pages 7 to 26 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

TUI Northern Europe Limited
Statement of changes in equity for the year ended 30 September 2016

	Called up share capital £m	Profit and loss account £m	Total equity £m
At 1 October 2014	-	42	42
Total comprehensive income for the financial year	-	83	83
At 30 September 2015	-	125	125
Total comprehensive income for the financial year	-	6	6
At 30 September 2016	-	131	131

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 3490138.

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.

These separate financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial assets and liabilities through profit and loss, and plan assets and liabilities from externally funded defined benefit pension schemes recognised at fair value through the statement of total comprehensive income, 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 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 unless otherwise stated.

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 adjusted 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").

3. Impact of transition on the financial statements (continued)

An explanation of the impact of how the transition from UK GAAP to FRS 101 and adoption of IAS 1 formats have affected the Company's primary statements, financial position and financial performance is set out in the following tables and related notes:

Reconciliation of equity as at 30 September 2014

		UK GAAP 30 September 2014 as previously reported £m	Effect of transition £m	FRS 101 1 October 2014 £m
Non-current assets	Note			
Investments in subsidiaries		5	-	5
Investments in joint ventures		28	-	28
Trade investments		4	-	4
Trade and other receivables	(A)	427	(427)	-
Deferred tax assets	(B)	-	4	4
		<u>464</u>	<u>(423)</u>	<u>41</u>
Current assets				
Non-interest-bearing loans and receivables	(A)	-	427	427
Trade and other receivables	(B)	39	(3)	36
		<u>39</u>	<u>424</u>	<u>463</u>
Total assets		<u>503</u>	<u>1</u>	<u>504</u>
Current liabilities				
Trade and other payables		(459)	-	(459)
		<u>(459)</u>	<u>-</u>	<u>(459)</u>
Non-current liabilities				
Retirement benefits	(B)	(2)	(1)	(3)
		<u>(2)</u>	<u>(1)</u>	<u>(3)</u>
Total liabilities		<u>(461)</u>	<u>(1)</u>	<u>(462)</u>
Net assets	(C)	<u>42</u>	<u>-</u>	<u>42</u>
Equity				
Called up share capital		-	-	-
Profit and loss account		42	-	42
Total equity attributable to owners of the parent	(C)	<u>42</u>	<u>-</u>	<u>42</u>

3. Impact of transition on the financial statements (continued)

Reconciliation of equity as at 30 September 2015

		UK GAAP 30 September 2015 as previously reported £m	Effect of transition £m	FRS 101 30 September 2015 £m
	Note			
Non-current assets				
Investments in subsidiaries		74	-	74
Investments in joint ventures		28	-	28
Trade investments		4	-	4
Deferred tax assets	(B)	-	4	4
		<u>106</u>	<u>4</u>	<u>110</u>
Current assets				
Trade and other receivables	(B)	5	(3)	2
Cash and cash equivalents		34	-	34
		<u>39</u>	<u>(3)</u>	<u>36</u>
Total assets		<u>145</u>	<u>1</u>	<u>146</u>
Current liabilities				
Trade and other payables		(18)	-	(18)
		<u>(18)</u>	<u>-</u>	<u>(18)</u>
Non-current liabilities				
Retirement benefits	(B)	(2)	(1)	(3)
		<u>(2)</u>	<u>(1)</u>	<u>(3)</u>
Total liabilities		<u>(20)</u>	<u>(1)</u>	<u>(21)</u>
Net assets	(C)	<u>125</u>	<u>-</u>	<u>125</u>
Equity				
Called up share capital		-	-	-
Profit and loss account		125	-	125
Total equity attributable to owners of the parent	(C)	<u>125</u>	<u>-</u>	<u>125</u>

Notes to the reconciliation of equity

- (A) IAS 1 requires financial instruments other than trade and other receivables and payables to be presented on the face of the balance sheet. At 1 October 2014, a loan of £427m due from a fellow Group subsidiary was amended such that the term of the loan became repayable on demand on that date. As such, this non-interest-bearing loan has been reclassified from non-current trade and receivables to current non-interest bearing loans. This adjustment was £nil at 30 September 2015.
- (B) Deferred tax assets and liabilities are required to be shown separately on the face of the balance sheet and classified as non-current in accordance with IAS 1. At 1 October 2014, £4m of existing deferred tax assets have been reclassified, £3m of which from current trade and other receivables and £1m from pension liabilities to non-current deferred tax assets. These two adjustments were the same at 30 September 2015.
- (C) There has been no adjustment to total equity 1 October 2014 or at 30 September 2015 in line with the above adjustments.

There was no impact on 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, joint ventures and trade investments

Investments are recognised at cost less accumulated impairment losses.

Trade investments

Trade investments are classified as available for sale assets and are recognised at cost less accumulated impairment losses on the basis that the fair value cannot be reliably measured.

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.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Company's loans and receivables are initially recognised at fair value and comprise interest bearing deferred consideration on the sale of a joint venture.

Trade and other receivables

Trade and other receivables are amounts due from other Group companies 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.

Derivative financial instruments and hedging activities

The Company has not applied hedge accounting and all derivatives are measured at fair value through profit and loss.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. Changes in the fair value of derivatives are recorded in the income statement.

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.

4. Summary of significant accounting policies (continued)

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 other 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

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.

Dividends

Dividend income is recognised when the right to receive payment is established. For interim dividends from UK subsidiaries, this is the period in which the dividends are received. For final dividends from UK companies or from overseas subsidiaries where the deduction of the dividend is legally obliging on that entity, the dividend is recognised at the date of the declaration.

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which payment of the dividend becomes a legal obligation of the Company. For final dividends, this will be when they are approved by the Company. For interim dividends, this will be when they have been paid.

Defined benefit plans

The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in current and prior years. That benefit is discounted to determine its present value and the fair value of any plan assets is deducted in calculating the overall net liability. The liability discount rate is the yield at the balance sheet date on AA credit-rated bonds denominated in the currency of, and having the same maturity dates approximating to, the terms of the Company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

Where the calculation results in a benefit to the Company, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan which are under the control of the Company.

When the benefits of a plan are amended, the increase/decrease in benefit relating to past services by employees is recognised as an expense/income in the statement of comprehensive income immediately.

Re-measurements of the net defined pension liability, including actuarial gains and losses, are recognised immediately in other comprehensive income. Either monthly or annual contributions are made to funded schemes.

The interest charge on the net retirement benefit obligation is calculated by applying the applicable discount rate to the net retirement benefit obligations at the beginning of the financial year, taking account of any changes in the net retirement benefit obligation during the year as a result of contributions and benefit payments.

Current and deferred tax

The tax expense for the year comprises current and deferred 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.

4. Summary of significant accounting policies (continued)

Current and deferred tax (continued)

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 balance sheet 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.

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 24. 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) Recoverable amount of investments in subsidiaries, joint venture and trade investments

Judgement is required in the assessment of the carrying amount of the investments in the Company's investment undertakings. Estimation of the recoverable amount of investments requires the Company to assess future cash flows projected to be generated by the subsidiary, joint venture and trade investment, which in turn is dependent upon a variety of factors including prevailing economic conditions and consumer demand for that entity's products. Details of investments in subsidiaries, joint venture's and trade investments, including impairment charges and carrying values are provided in notes 11, 12 and 13.

(b) Taxation

Judgement is required in the assessment of the future recognition and recoverability of deferred tax assets. Details of deferred tax recognition are provided in Note 15.

7. Income from shares in Group undertakings

Income from shares in Group undertakings comprises dividends of:

Company	Year ended 30 September 2016		Year ended 30 September 2015	
	Date received	£m	Date received	£m
Tantur Tourizm Seyahat A.S.		-	1 January 2015	439
		-		439

8. Profit on ordinary activities before taxation

	Year ended 30 September 2016 £m	Year ended 30 September 2015 £m
Profit on ordinary activities before taxation is stated after (crediting)/charging:		
Reversal of impairment on intercompany balances	-	(2)
Income from shares in Group undertakings (Note 7)	-	(439)
Profit on disposal of investments (Note 12)	(9)	-
Amounts written off investments in subsidiary undertakings	2	358

Amounts written off investments in subsidiary undertakings

On 30 September 2016 the Company held 44.44% of the share capital of Absolut Insurance Limited. The Directors have considered the requirements of IAS 36, and believe the recoverable amount of the investment in Absolut Insurance Limited commensurate with the net assets of the subsidiary undertaking. As a result of this assessment, an impairment charge of £2m was recognised during the year in respect of the investment in Absolut Insurance Limited.

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.

9. Employees and Directors remuneration

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.

10. Taxation

The tax expense/result can be summarised as follows:

	Year ended 30 September 2016 £m	Year ended 30 September 2015 £m
Current tax:		
Amounts receivable from fellow subsidiaries for group relief	(1)	(1)
Foreign tax suffered	2	-
Adjustment in respect of prior periods	-	1
Total current tax	1	-
Deferred tax:		
Origination and reversal of temporary differences:	2	1
Adjustment in respect of previous periods	-	(1)
Total deferred tax (Note 15)	2	-
Total tax expense/result in the statement of total comprehensive income	3	-

(ii) Factors affecting the tax expense/result in the year

The tax expense (2015: result) for the year ended 30 September 2016 is higher than (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 on ordinary activities before taxation	9	83
Profit on ordinary activities multiplied by the effective standard rate of UK corporation tax of 20.0% (2015: 20.5%)	2	17
Effects of:		
- Expenses not deductible for tax purposes	1	73
- Income not taxable	(2)	(90)
- Chargeable gains	2	-
Total tax expense/result in the statement of total comprehensive income	3	-

(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. Therefore, at 30 September 2016, deferred tax assets and liabilities have been calculated based on rates of 19% and 17% where the temporary differences are expected to reverse after 1 April 2017 and 1 April 2020 respectively. These reductions may also reduce the Company's future current tax expenses accordingly.

TUI Northern Europe Limited
Notes to the financial statements for the year ended 30 September 2016

11. Investments in subsidiaries

	Investments in subsidiary undertakings £m
Cost:	
At 1 October 2015 and 30 September 2016	1,584
Impairment:	
At 1 October 2015	1,510
Charged during the year (Note 8)	2
At 30 September 2016	1,512
Net book value:	
At 30 September 2015 and 30 September 2016	72

List of investments in subsidiaries and joint ventures at 30 September 2016:

Name of undertaking	Country of incorporation	Registered address	Share class	% held directly by the Company	Total % held by Group companies
Absolut Insurance Limited	Guernsey	PO Box 230 Heritage Hall, Le Marchant Street, St Peter Port. GY1 4JH.	£1.00 ordinary shares	44.44	100.00
AMP Management Limited	United Kingdom	TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex, RH10 9QL	£1.00 ordinary shares	-	100.00
Atlantica Golden Resorts Limited	Cyprus	Atlantica Hotel, 11 Stymfalidon Street, Limassol.	€1.71 ordinary shares	-	55.00
Atlantica Grand Hotel Limited	Cyprus	Atlantica Hotel, 11 Stymfalidon Street, Limassol.	€1.71 ordinary shares	-	55.00
Atlantica Hellas SA	Greece	Likavitou 17, Athens, 10672.	€29.35 ordinary shares €29.35 preference shares	50.00 100.00	55.00 100.00
Atlantica Hotel Management Limited	Cyprus	Stymfalidon 11, Atlantica Hotel, Potamos Germasogeias, PC4046.	€1.71 ordinary shares	-	55.00
Atlantica Hotels & Resorts Limited	Cyprus	Stymfalidon 11, Atlantica Hotel, Potamos Germasogeias, PC4046.	CYP1.00 ordinary shares	49.90	55.00
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
Ionian Sun SA	Greece	Likavitou 17, Athens, 10672.	€5.00 ordinary shares	-	55.00

TUI Northern Europe Limited
Notes to the financial statements for the year ended 30 September 2016

11. Investments in subsidiaries

Lunn Poly Limited	United Kingdom	TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex, RH10 9QL	£1.00 ordinary shares	-	100.00
Nikotel SA	Greece	Likavitou 17, Athens, 10672.	€29.35 ordinary shares	-	55.00
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
Petit Palais Srl	Italy	Via Bardoney 2 Valtournenche (AO) 11028.	€50,000.00 ordinary shares	-	100.00
SERAC Travel GmbH	Switzerland	Chalet Camelia 9, 1936 Verbier.	CHF1,000.00 bearer shares CHF18,000.00 bearer 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 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
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	-	100.00
Thomson Travel Group (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
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 UK Italia Srl	Italy	11028 Valtournenche (AO), Aosta.	€1.00 shares	-	100.00
TUI Travel (Ireland) Limited	Ireland	One Spencer Dock, North Wall Quay, Dublin1.	€0.01 ordinary shares	100.00	100.00

The Directors believe that the book value of all existing investments is supported by the higher of underlying net assets or their recoverable value.

12. Investments in joint ventures

	Investments in joint ventures £m
Cost:	
As at 1 October 2015	28
Additions	-
Disposals	(2)
As at 30 September 2016	26
Impairment:	
As at 1 October 2015 and at 30 September 2016	-
Net book value:	
As at 30 September 2016	26
As at 30 September 2015	28

Disposals:

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

Joint venture	Date of disposal	Total consideration £m	Carrying value of investment disposed £m	Profit on disposal £m
Safeharbour One SL	13 November 2015	11	2	9
		11	2	9

On 13 November 2015, the Company sold its entire 50% share in the joint venture, Safeharbour One SL, to Excel Investments SA for €15m (£11m).

13. Trade investments

	Trade investments £m
Cost:	
At 1 October 2015 and 30 September 2016	4
Impairment:	
At 1 October 2015 and 30 September 2016	-
Net book value:	
As at 30 September 2015 and 30 September 2016	4

The Company holds a 10% investment of Atlantica Leisure Group Limited, a company registered with registered address Stymfallidon 11, Atlantica Hotel, Potamos Germasogelas, PC4046, Cyprus.

14. Interest bearing loans and receivables

	30 September 2016		30 September 2015	
	Non-current	Current	Non-current	Current
	£m	£m	£m	£m
Deferred consideration	9	2	-	-

Deferred consideration

Deferred consideration arose on the disposal of Safeharbour One SL and is receivable over the next three years. The amount outstanding bears interest at 2% per annum and is secured by a second degree mortgage.

15. Deferred tax assets and liabilities

	30 September 2016		30 September 2015	
	Assets	Liabilities	Assets	Liabilities
	£m	£m	£m	£m
Depreciation in excess of capital allowances	2	-	3	-
Deferred tax asset on pension deficit	-	-	1	-
	<u>2</u>	<u>-</u>	<u>4</u>	<u>-</u>

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

	Depreciation in excess of capital allowances	Employee benefits	Total
	£m	£m	£m
Deferred tax assets			
At 1 October 2014	3	1	4
Charged to the statement of total comprehensive income	-	-	-
At 30 September 2015	3	1	4
Credited/(charged) to the statement of total comprehensive income	(1)	(1)	(2)
At 30 September 2016	<u>2</u>	<u>-</u>	<u>2</u>

Depreciation in excess of capital allowances principally relate to timing differences in respect of property, plant and equipment. Deferred tax assets arising on employee benefits arise in respect of pension liabilities accounted for under IAS 19 (revised).

There are no unrecognised deferred tax assets nor un-provided deferred tax liabilities at either 30 September 2016 or 30 September 2015.

16. Trade and other receivables

	30 September 2016	30 September 2015
	£m	£m
Amounts due from Group undertakings	<u>3</u>	<u>2</u>

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

17. Trade and other payables

	30 September 2016	30 September 2015
	£m	£m
Amounts due to Group undertakings	<u>79</u>	<u>18</u>

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

18. Derivative financial instruments

	30 September 2016		30 September 2015	
	Assets	Liabilities	Assets	Liabilities
	£m	£m	£m	£m
To hedge deferred consideration	-	(1)	-	-
Total	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Of which				
Current	-	-	-	-
Non-current	-	(1)	-	-
Total	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>

18. Derivative financial instruments (continued)

Fair value measurements

Derivatives are valued in the market using discounted cash flow techniques. These techniques incorporate observable prices in active markets, such as interest rates and foreign currency exchange rates. These market-based inputs are used in the discounted cash flow calculation incorporating the instrument's term, notional amount, volatility and discount rate.

Forward foreign exchange and other currency contracts are used by the Company to mitigate against the risk of adverse and foreign exchange losses on future expected receipts in respect of deferred consideration due.

The full fair value of a derivative is classified as a non-current asset or liability if the remaining maturity of the derivative is more than 12 months and as a current asset or liability if the maturity of the derivative is less than 12 months.

The amount recognised in the statement of total comprehensive income that arises from derivatives amounts to a loss of £1m (2015: £nil) and is classified within Administrative credits.

19. Retirement benefit obligations

Defined benefit schemes

During the year, the Company sponsored three final salary defined benefit pension schemes (together the "Schemes"):

- The Callers 1978 Pension and Life Assurance Scheme ("Callers Scheme");
- The Executive No. 2 Scheme ("Executive Scheme"); and
- Executive Employer Financed Retirement Benefit Scheme ("EFRBS")

The schemes are closed to future accrual and the Company does not plan to make any material contributions during the next financial year. The Callers Scheme and the Executive Scheme are funded, whilst the EFRBS Scheme is unfunded. The Callers Scheme is in the process of being wound up and all benefits due under the Executive Scheme were settled during the year.

Due to their immaterial nature, the Schemes' assets and liabilities are disclosed in aggregate and certain disclosures which would otherwise be required by IAS 19 (revised) have been omitted.

Role of the Trustees

The Trustees comprise representatives appointed by the employer. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible in particular for the asset investment policy plus the day-to-day administration of the benefits. They are also responsible for jointly agreeing with the employer the level of contributions and funding requirements.

Scheme valuations and funding requirements

UK legislation requires that pension schemes are funded prudently (i.e. to a level in excess of the current expected cost of providing benefits). Within 15 months following each valuation date, the Trustees and the Company must agree the contributions required (if any) to ensure that the schemes are fully funded over time on a suitably prudent measure. Contributions agreed in this manner constitute a minimum funding requirement.

The assets of the funded schemes are held through independent, trustee-administered funds separate from the assets of the Company.

Actuarial valuations are conducted by qualified, independent actuaries using market-based valuations for assets and the projected unit method for liabilities.

The date of the last full actuarial valuation of each scheme was:

Callers Scheme	1 April 2005
Executive Scheme	31 March 2014
EFRBS	31 March 2014

19. Retirement benefit obligations (continued)

The Callers and Executive Schemes are funded, whilst the EFRBS is unfunded. There are no current service costs as all schemes are closed to accrual, and the Company does not plan to make any material contributions during the next financial year. The pension obligations for the Schemes, net of any scheme assets are recognised as retirement benefit obligations on the balance sheet.

Assumptions

Assumptions under IAS 19 (revised) are set using the best estimate with reference to market conditions at the valuation date. The assets of each scheme have been taken at market value whilst liabilities have been calculated using the following principal financial and demographic assumptions.

Financial assumptions

	Year ended 30 September 2016	Year ended 30 September 2015
	%	%
Discount rate	2.3	3.8
Rate of increase of pensions in payment	2.5-3.7	2.5-3.7
Inflation assumption	3.1	3.2

Demographic assumptions

The mortality assumptions explicitly allow for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The table below shows the life expectancy for members attaining age 65 on the balance sheet date, and 20 years after the balance sheet date.

	Year ended 30 September 2016	Year ended 30 September 2015
	Years	Years
Life expectancy		
Males		
Life expectancy in years for a pensioner retiring aged 65, on the balance sheet date	24	24
Life expectancy in years for a pensioner retiring aged 65, 20 years after the balance sheet date	25	25
Females		
Life expectancy in years for a pensioner retiring aged 65, on the balance sheet date	26	26
Life expectancy in years for a pensioner retiring aged 65, 20 years after the balance sheet date	28	28

Sensitivity analysis

Sensitivity analysis of the scheme's liabilities to the above key financial and demographic assumptions has not been provided as there are no reasonably possible changes to the above assumptions that would cause a £1m change to the schemes liabilities.

Duration

The weighted average duration of the EFRBS's defined benefit obligation is 14(2015: 14) years.

Risks

In view of the Executive Scheme benefits being fully paid out in the year, the Callers Scheme being in the process of winding up and the remaining value of the Scheme assets and liabilities relative to the Company's assets and liabilities being immaterial, an analysis of risks inherent to the schemes, together how the Trustees and Directors of the Company mitigate these risks, has not been provided.

19. Retirement benefit obligations (continued)

Key accounting results

The Company's net defined benefit obligation is recognised in the balance sheet as follows:

	Year ended 30 September 2016	Year ended 30 September 2015
	£m	£m
Present value of funded defined benefit obligations	(4)	(7)
Fair value of plan assets	4	5
Deficit of funded plans	-	(2)
Present value of unfunded defined benefit obligations	(2)	(1)
Net liability recognised in the balance sheet	(2)	(3)

A reconciliation of the Company's net defined benefit liability, analysed between the defined benefit obligation and plan assets is as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
	£m	£m	£m
At 1 October 2014	(7)	4	(3)
<i>Re-measurement of the net defined benefit liability:</i>			
Return on plan assets, excluding amounts in net finance expense	-	1	1
Actuarial loss from changes in financial assumptions	(1)	-	(1)
Charge to other comprehensive income	(1)	1	-
At 30 September 2015	(8)	5	(3)
<i>Re-measurement of the net defined benefit liability:</i>			
Actuarial loss from changes in financial assumptions	(1)	-	(1)
Actuarial gain arising from experience	1	-	1
Charge to other comprehensive income	-	-	-
Employer contributions	-	1	1
Benefit payments	2	(2)	-
At 30 September 2016	(6)	4	(2)

19. Retirement benefit obligations (continued)

Assets

The fair value of scheme's assets at 30 September was as follows:

	Year ended 30 September 2016 £m	Year ended 30 September 2015 £m
Corporate bonds	-	1
Government bonds	-	4
Insurance policies	4	-
	<u>4</u>	<u>5</u>

20. Called up share capital

	30 September 2016 £m	30 September 2015 £m
Issued and fully paid 1 (2015: 1) ordinary share of £0.25 each	-	-

21. 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.

22. 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 and as a guarantor to an indenture concerning €300m 4.5% senior notes due 2019 that have been issued by TUI AG. 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.

23. Post balance sheet events

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

On 21 October 2016, the Company agreed to act as a guarantor to TUI AG's external bank revolving credit facilities of an indenture concerning €300m 2.125% senior notes due 26 October 2021 that have been issued by TUI AG. 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 12 December 2016, the Company received a dividend of £100m from Thomson Travel Group Holdings Limited. On the same date, the Company declared an interim dividend of £101m to TTG (Jersey) Limited.

On 27 February 2017, TUI Travel Holdings Limited purchased the share capital of TUI Northern Europe Limited from TTG (Jersey) Limited for a consideration of £64m.

24. 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 Travel Holdings Limited.

The smallest and largest group in which the results of the Company are consolidated is that headed by TUI AG. Copies of the TUI AG financial statements are available from Investor Relations, TUI AG, Karl-Wiechert-Allee 4, D-30625, Hanover or from the website www.tuigroup.com/en-en. No other financial statements include the results of the Company.