

Fly Thomson Limited
Directors' report and financial statements
for the year ended 30 September 2011
Company number 4484398

FRIDAY



A26 *A1C2WQYA* #311
29/06/2012
COMPANIES HOUSE

Fly Thomson Limited
Report of the Directors for the year ended 30 September 2011

The Directors present their report and the audited financial statements of Fly Thomson Limited ("the Company") for the year ended 30 September 2011

Principal activity

The Company ceased trading on 31 October 2008. Since that date, the Company's activity has been to both pay and receive interest on separate interest-bearing balances with fellow subsidiaries in the TUI Travel PLC group of companies ("the Group"). This activity has subsequently ceased and the Company will now be prepared to be struck off as part of a wider restructuring and corporate simplification which the Group is undertaking.

Results and dividends

The Company's loss on ordinary activities before taxation for the year ended 30 September 2011 was £485,000 (2010: £1,694,000). No dividends were paid during the year (2010: £nil) and the Directors do not recommend the payment of a final dividend.

Business review

The Company is exempt by virtue of its size from the requirement to include a business review.

Funding and liquidity

The Directors have considered the funding and liquidity position of the Company and of its intermediate parent company TUI Travel PLC. In light of the cessation of the Company's trade and the future winding up of the Company, these accounts will not be prepared on a going concern basis. Please also refer to Note 1.

Directors

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

A L John (appointed 10 January 2011)

C G McKinlay (appointed 10 January 2011)

Other Directors who served during the year were

M Russell (resigned 10 January 2011)

D M Taylor (resigned 10 January 2011)

Independent auditors

During the year KPMG Audit Plc resigned as auditors and PricewaterhouseCoopers LLP were appointed by the Directors in their place. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

Directors' insurance

Throughout the financial year, and at the date of approval of these financial statements, the intermediate parent company, TUI Travel PLC, maintained Directors' & Officers' Liability insurance policies on behalf of the Directors of the Company. These policies meet the 2006 Companies Act 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.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board



C G McKinlay

Director

Company Number 4484398

Dated 27 June 2012

Fly Thomson Limited**Report of the independent auditors to the members of Fly Thomson Limited**

We have audited the financial statements of Fly Thomson Limited for the year ended 30 September 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of Directors' responsibilities set out on page 2, 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). 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.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 September 2011 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Emphasis of matter – basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the going concern basis of accounting, which explains the Company is to be wound up during the next financial year. Accordingly, the going concern basis of accounting is no longer appropriate. Where required, adjustments have been made in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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



Owen Mackney (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

27 June 2012

Fly Thomson Limited
Profit and loss account for the year ended 30 September 2011

	Note	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Other operating expenses	2	40	(1,124)
Operating profit / loss		40	(1,124)
Interest receivable and similar income	3	108	118
Interest payable and similar charges	4	(633)	(688)
Loss on ordinary activities before taxation	2	(485)	(1,694)
Tax on loss on ordinary activities	5	142	375
Loss for the financial year	9	(343)	(1,319)

The results stated above are all derived from discontinuing operations

A note on historical cost profit and loss has not been included as part of these financial statements as the results disclosed in the profit and loss account are prepared on an unmodified historical cost basis

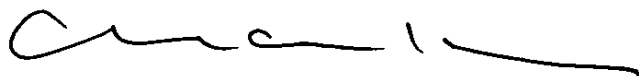
There are no recognised gains and losses other than those included in the profit and loss account. Accordingly, no statement of total recognised gains and losses is presented

Fly Thomson Limited
Balance sheet as at 30 September 2011

		30 September 2011 £'000	30 September 2010 £'000
	Note		
Current assets			
Debtors	6	54,958	54,981
Creditors amounts falling due within one year	7	<u>(107,729)</u>	<u>(107,409)</u>
Net current liabilities		(52,771)	(52,428)
Net liabilities		<u>(52,771)</u>	<u>(52,428)</u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	(52,771)	(52,428)
Equity shareholders' deficit	10	<u>(52,771)</u>	<u>(52,428)</u>

The notes on pages 6 to 10 form part of these financial statements

The financial statements were approved by the Board on 27 June 2012 and signed on their behalf by



C G McKinlay
Director

1. Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention

Under Financial Reporting Standard 1 (revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

Going concern

Following the cessation of the Company's trade, and as part of a wider restructuring and corporate simplification which the Group is undertaking it is the Directors' intention that the Company be wound up. These accounts have therefore been prepared under the break-up basis. However, given the nature of the Company's assets and liabilities no adjustments have been required to reduce assets to their realisable values, or to provide for liabilities arising from the decision.

Taxation

UK Corporation Tax is provided on amounts expected to be paid (or recovered) using the tax rates and laws enacted, or substantively enacted, at the balance sheet date.

Except as otherwise required by accounting standards, full provision without discounting is made for all deferred taxation timing differences which have arisen but not reversed at the balance sheet date. Timing differences arise when items of income and expenditure are included in tax computations in periods which are different from their inclusion in the financial statements. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be used.

The UK Government announced a phased reduction in the main UK corporation tax rate from 28% to 24%, with the first 1% reduction taking effect from 1 April 2011 (and substantively enacted on 20 July 2010). On 23 March 2011, the UK Government announced an additional 1% reduction in the main UK corporation tax rate to 26% taking effect from 1 April 2011. On 21 March 2012, the UK Government announced a further 1% reduction in the main UK corporation tax rate to 24% taking effect from 1 April 2012. A further two reductions of 1% will follow annually, reducing the corporation tax rate to 22% from 1 April 2014.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the rates that have been enacted or substantively enacted at the balance sheet date. Therefore, at 30 September 2011, deferred tax assets and liabilities have been calculated based on a rate of 25% (which was substantively enacted on 5 July 2011), where the timing difference is expected to reverse after 1 April 2012.

No account will be taken of the further reductions in the main UK corporation tax rate but it is estimated that this will not have a material effect on the Company.

Judgement is required in the assessment of the future recoverability of tax losses and recognition of deferred tax assets.

2. Loss on ordinary activities before taxation

Loss on ordinary activities is stated after (crediting) / charging

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Administrative expenses	<u>(40)</u>	<u>1,124</u>

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

The Directors received no remuneration for their services to the Company during the year (2010 £nil) The Directors are also directors of a number of other Group subsidiaries and it is not possible to make an accurate apportionment of their remuneration in respect of each of the Group subsidiaries of which they are a director

In 2010 and 2011 the auditors' remuneration was borne by another Group company It has not been possible to separately identify the audit fee related to this entity

3. Interest receivable and similar income

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Interest receivable from Group undertakings	<u>108</u>	<u>118</u>

4. Interest payable and similar charges

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Interest payable to Group undertakings	<u>(633)</u>	<u>(688)</u>

5. Tax on loss on ordinary activities

(i) Analysis of tax credit in year

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Current tax		
- Amounts receivable from fellow subsidiaries for group relief	<u>(142)</u>	<u>(375)</u>
Total current tax credit on loss on ordinary activities	<u>(142)</u>	<u>(375)</u>

5. Tax on loss on ordinary activities (continued)

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

The current tax credit for the year is higher (2010 lower) than the standard rate of corporation tax in the UK of 27% (2010 28%) This is explained as below

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Loss on ordinary activities before tax	(485)	(1,694)
Loss on ordinary activities at the standard rate of UK corporation tax of 27% (2010 28%)	(131)	(474)
Effects of		
- Expenses not deductible for tax purposes	(11)	99
Current tax credit for the year	(142)	(375)

(iii) Factors affecting the future tax credit

The rate of taxation is expected to follow the standard rate of UK corporation tax in future periods after taking into account expenditure not deductible for taxation and any non-taxable income The statutory rate of UK corporation tax is reduced to 24% with effect from 1 April 2012

There are no unrecognised deferred tax assets or unprovided deferred tax liabilities at the current or prior year end.

6 Debtors

	30 September 2011 £'000	30 September 2010 £'000
Amounts owed by Group undertakings	50,414	50,406
Other debtors	-	173
Group relief receivable	4,544	4,402
	54,958	54,981

Amounts owed by Group undertakings are unsecured and have no fixed date of repayment Balances with dormant companies are interest free and all others bear interest at the Bank of England base rate

7. Creditors amounts falling due within one year

	30 September 2011 £'000	30 September 2010 £'000
Amounts due to Group undertakings	(107,729)	(107,409)

Amounts due to Group undertakings are unsecured and have no fixed date of repayment Balances with dormant companies are interest free and all others bear interest at the Bank of England base rate

8. Called-up share capital

	30 September 2011 £	30 September 2010 £
Issued and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

9. Profit and loss account

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
At 1 October	52,428	51,109
Loss for the financial year	<u>343</u>	<u>1,319</u>
At 30 September	<u>52,771</u>	<u>52,428</u>

10. Reconciliation of movement in shareholders' deficit

	Year ended 30 September 2011 £'000	Year ended 30 September 2010 £'000
Opening shareholders' deficit	52,428	51,109
Loss for the financial year	<u>343</u>	<u>1,319</u>
Closing shareholders' deficit	<u>52,771</u>	<u>52,428</u>

All shareholder deficits relate to equity interests

11. Related party transactions

The Company has taken advantage of the exemption contained in Financial Reporting Standard No 8 "Related Party Disclosure" as it is a wholly-owned subsidiary of TUI Travel PLC. Therefore the Company has not disclosed transactions or balances with wholly-owned entities that form part of the Group headed by TUI Travel PLC.

The Company did not undertake any transactions with its ultimate parent company TUI AG, with subsidiaries of TUI AG or with entities that are not wholly owned by TUI Travel PLC.

12 Ultimate parent company

The Company is a subsidiary undertaking of TUI AG – a company registered in Berlin and Hanover (Federal Republic of Germany) which is the ultimate parent company. The intermediate holding company is TUI Travel PLC. The immediate holding company is Thomson Airways Limited.

The largest group in which the results of the Company are consolidated is that headed by TUI AG. The smallest group in which the results of the Company are consolidated is that headed by TUI Travel PLC, incorporated in the United Kingdom. No other group financial statements include the results of the Company.

Copies of the TUI Travel PLC financial statements are available from the Company Secretary, TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex RH10 9QL or from the website www.tuitravelpkc.com. Copies of the TUI AG financial statements are available from Investor Relations, TUI AG, Karl-Wiechert-Allee 4, D-30625, Hanover or from the website www.tui-group.com.