

Trek America Travel Limited
Reports of the Directors and financial statements
for the year ended 30 September 2015
Company number 4803471

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Trek America Travel Limited
Reports of the Directors for the year ended 30 September 2015

The Directors present their reports and the audited financial statements of Trek America Travel Limited ("the Company") for the year ended 30 September 2015.

STRATEGIC REPORT

The Company's principal activity during the year continued to be the marketing, selling and operation of tours, treks and adventure holidays, within the TUI AG group of companies ("the Group").

Review of the business

On 31 July 2015, the entire issued share capital of the Company's immediate parent Trek Investco Limited was transferred from PEAK Adventure Travel Group Limited ("PEAK") to TUI Travel SAS Adventure Limited, a wholly-owned subsidiary in the Group (Note 16).

The Company's profit on ordinary activities before taxation for the year ended 30 September 2015 was £985,000 (2014: £1,346,000). No dividends were paid during the year (2014: £nil) and the Directors are unable to recommend the payment of a final dividend.

During the year passenger numbers were slightly lower, but revenue increased from 2014. However, increased cost of sales resulted in a reduced gross profit. Although there was continued tight control of marketing and overhead costs, these factors resulted in the Company returning a reduced profit compared to the previous year.

At 30 September 2015, the Company had net current assets of £5,909,000 (2014: £5,060,000) and net assets of £6,377,000 (2014: £5,594,000).

There were no significant balance sheet movements outside of normal working capital changes to inter-company balances and deposits held in advance.

The outlook is positive as strategic plans are in place for revenue growth by building up the knowledge and expertise of the staff teams and it is anticipated that the Company will continue trading primarily as a North American specialist operator.

Key Performance Indicators

To understand the development, performance and positioning of its business, there are certain Key Performance Indicators (KPIs) that are measured and monitored. The main KPIs are:

	Year ended	Year ended
	30 September 2015	30 September 2014
	No/£000	No/£000
Number of Passengers	8,477	8,487
Revenue	£14,118	£13,300
Margin per passenger	£365	£419

Principal risks and uncertainties

The principal risks and uncertainties which are common to the Group and the Company are:

- **Consumer demand.** Spending on travel and tourism is discretionary and price sensitive. The economic outlook remains uncertain with different destinations at different points in the recovery cycle. Consumers are also waiting longer to book their trips in order to assess their financial situation. If we do not respond successfully to changes in consumer demands and preferences, our short-term growth rates and margins will fall below expectations.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

- **Input cost volatility.** A significant proportion of operating expenses is in non-local currency which therefore exposes the business to changes in exchange rates. There is the risk that if we do not manage adequately the volatility of exchange rates, and other input costs, then this could result in increased costs and lead to margin erosion, impacting on our ability to achieve profit targets.
- **Consumer preferences and desires.** The tourism industry is fast-paced and competitive with the emergence of new market participants operating new business models, combined with consumer tastes and preferences evolving all the time. In recent years there has been an emergence of successful substitute business models such as web-based travel and hotel portals which allow end users to combine the individual elements of a holiday trip on their own and book them separately. Consumer tastes and preferences have evolved in recent years as well, with more consumers booking their holidays online and via mobiles and tablets, and booking closer to the time of travel. There is the risk that if we do not respond adequately to such business model disruption or if our products and services fail to meet changing customer demands and preferences, that our turnover, market share and profitability will suffer as a result.
- **Business improvement opportunities.** The Group is heavily reliant on legacy systems, processes and structures which, in some cases, are outdated, complex and inefficient. If we do not address the systems' inefficiencies we may incur higher costs and this will impact our ability to optimise business performance and provide a value added service to our consumers.
- **Legal & regulatory compliance.** The Company operates in a highly-regulated environment, particularly in relation to consumer protection, tax, aviation and the environment. If we do not establish an effective system of internal control that ensures we operate in compliance with all legal and regulatory requirements, we will suffer negative impact, damage to our reputation and reduced revenues and/or higher input costs.
- **Health & Safety.** For all providers of holiday and travel services, ensuring the health and safety of customers is of paramount importance. There is the risk of accidents occurring causing injury or death to customers or colleagues whilst on one of our holidays. This could result in reputational damage to the Company and/or financial liabilities through legal action being taken by the affected parties.
- **Cyber security.** Our responsibility is to protect the confidentiality, integrity and availability of the data we have and the services we provide to our customers, our employees, our suppliers and service delivery teams. There is a risk that our increasing dependence on online sales and customer care channels increases our exposure and susceptibility to cyber-attacks and hacks. If we do not ensure we have the appropriate level of security controls in place across the Group, this could have a significant negative impact on our key stakeholders, associated reputational damage and potential for financial implications.
- **Talent management.** The Company's success depends on its ability to retain key management and it relies on having good relations with its colleagues. If we are unable to attract and retain talent, build future leadership capability and maintain the commitment and trust of our employees, we risk not maximising our operating results and financial performance.

During the year, the Directors managed these risks and uncertainties of the Company in co-ordination with its fellow subsidiaries within the *Specialist Travel Sector* of the Group and in conjunction with the management of the ultimate parent undertaking, TUI AG. Further information on these risks, together with how they are mitigated, can be found on pages 97-114 of the TUI AG Annual Report and Accounts, 2014/15. Details of where these financial statements can be obtained are in Note 17 of these financial statements.

On behalf of the Board



R Hanson
Director

Dated: 21 March 2016

DIRECTORS' REPORT

Directors

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

H B Lagerweij (appointed 23 June 2015)

P J Burrell

R Hanson

During the year M A Beard also served as a Director and resigned on 10 July 2015.

Independent auditors

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

From 1 October 2014 to 11 December 2014, the intermediate parent company, TUI Travel PLC (now TUI Travel Limited), maintained Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company. Following the merger of TUI Travel PLC and TUI AG on 11 December 2014, until the date of approval of these financial statements, the ultimate parent company, TUI AG, maintained these insurance policies. 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.

Business review

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

Funding and liquidity

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.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting 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.

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.

Intention to adopt FRS 101

Following the publication by the Financial Reporting Council of FRS 100, 'Application of financial reporting requirements', the Company is permitted to adopt FRS 101, 'Reduced disclosure framework' ("FRS 101") as its accounting framework for the preparation of its entity financial statements for the financial year ending 30 September 2016.

The Directors of the Company consider that it is in the best interests of the Company and the TUI Group to adopt FRS 101 as its accounting framework for the financial year ending 30 September 2016 and hereby notifies its shareholder that it intends to do so.

As Trek Investco Limited ("Trek") is the holder of all the issued shares of the Company, Trek is entitled to serve an objection to the use of FRS 101 as the Company's accounting framework. Should Trek choose to object to the use of FRS 101, objections should be made in writing to the Company's registered office address by no later than 30 September 2016.

On the basis that no objection is received, the Company's use of FRS 101 as the accounting framework is expected to remain in force for the foreseeable future or until the date that Trek is no longer a shareholder of the Company.

On behalf of the Board



R Hanson
Director

Company Number 4803471

21 March 2016

Report on the financial statements

Our opinion

In our opinion, Trek America Travel 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

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

- the balance sheet as at 30 September 2015;
- the profit and loss account 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 applicable law and United Kingdom Accounting Standards (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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

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 and 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.



Rosemary Shapland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick

21 March 2016

Trek America Travel Limited
Profit and loss account for the year ended 30 September 2015

		Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
	Note		
Turnover	2	14,118	13,300
Cost of sales		(11,021)	(9,738)
Gross profit		3,097	3,562
Administrative expenses		(2,119)	(2,222)
Operating profit		978	1,340
Interest receivable and similar income	6	7	6
Profit on ordinary activities before taxation	3	985	1,346
Tax on profit on ordinary activities	7	(202)	(297)
Profit for the financial year	14	783	1,049

The results stated above are all derived from continuing operations.

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

The Company has no recognised gains or losses other than those included in the profit and loss account. Accordingly, no statement of total recognised gains and losses is presented.

Trek America Travel Limited
Balance sheet at 30 September 2015

		30 September 2015 £'000	30 September 2014 £'000
	Note		
Fixed assets			
Intangible assets	8	303	343
Tangible assets	9	165	191
		468	534
Current assets			
Debtors	10	4,162	3,299
Cash at bank and in hand		4,007	3,702
		8,169	7,001
Creditors: amounts falling due within one year	11	(2,260)	(1,941)
Net current assets		5,909	5,060
Total assets less current liabilities		6,377	5,594
Net assets		6,377	5,594
Capital and reserves			
Called up share capital	13	7,200	7,200
Profit and loss account	14	(823)	(1,606)
Total shareholders' funds	15	6,377	5,594

The notes on pages 8 to 15 form part of these financial statements.

The financial statements on pages 6 to 15 were approved by the Board on 21 March 2016 and signed on their behalf by:



R Hanson
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.

Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with applicable accounting standards in the United Kingdom, the Companies Act 2006 and under the historical cost convention. The financial statements have been prepared on a consistent basis with the prior year.

Cash flow

Under Financial Reporting Standard 1 (revised 1996) "Cash flow Statements" 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.

Turnover

Turnover represents the aggregate value of revenue receivable excluding Value Added Tax from clients in the ordinary course of business. Sales of adventure tours, accommodation and airfares are recognised in the profit and loss account on the date of departure.

Marketing and other direct sales costs

Marketing, advertising and other promotional costs, including those related to the production of brochures, are expensed as expenditure is incurred.

Client money received in advance

Client money received at the balance sheet date relating to holidays commencing and flights departing after the year end is included in creditors.

Intangible assets

Goodwill arising on acquisitions (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised and amortised on a straight-line basis over its useful economic life which is determined to be 20 years. Provision is made for any impairment.

Tangible fixed assets and depreciation

Tangible fixed assets are recorded at cost and are depreciated on a straight-line basis to their residual value over their estimated useful lives:

Motor Vehicles	4 years
Fixtures & fittings	2 years
Computer equipment	3 years
Computer software	5 years
Leasehold improvements	4 years

Useful lives are estimated taking into account the rate of technological change and intensity of use of the assets.

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If such an indication exists, the asset's recoverable amount is estimated. Impairment losses are recognised in the profit and loss account whenever the amount of an asset exceeds its recoverable amount.

1. Accounting policies (continued)**Pensions**

The Company participates in the Group Defined Contribution Pension Scheme. Pension liabilities are charged to the profit and loss account as they fall due. Further details of the Group Defined Contribution Scheme can be found in the financial statements of TUI AG, details of which can be found in Note 17.

Foreign currency translation and financial instruments

Transactions in overseas currencies are translated at the exchange rate at the date of the transaction or, where forward cover has been arranged, at the contracted rate. Monetary assets and liabilities denominated in currencies other than pounds sterling are translated at year end rates of exchange. To the extent that foreign currency denominated monetary assets and liabilities are covered by forward exchange contracts, these are translated at the appropriate contract rate. Foreign exchange gains and losses are recognised in the profit and loss account.

Taxation

Taxation comprises current and deferred tax. Current tax is the expected tax payable (or recoverable) for the current period, and any adjustment to tax payable in respect of previous periods, using tax rates relevant to the financial year.

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.

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.

2. Turnover

The Company has one class of business, namely the marketing, selling and operation of tours, treks and adventure holidays. Turnover is analysed by geographical location (source market):

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
UK and Ireland	8,372	7,504
Europe	1,714	1,635
Rest of the world	4,032	4,161
	<u>14,118</u>	<u>13,300</u>

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/ (crediting):

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Depreciation – owned assets (Note 9)	101	103
Intangible amortisation (Note 8)	40	40
Management fee payable to PEAK Adventure Travel Group Limited	143	151
Foreign exchange (gain)/ loss	<u>(293)</u>	<u>146</u>

4. Fees payable to auditors

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Fees for the audit of the Company	16	15
Other services	<u>2</u>	<u>2</u>

5. Employees' and Directors' remuneration

(i) The average monthly number of employees (including Directors) during the year was as follows:

	Year ended 30 September 2015 Number	Year ended 30 September 2014 Number
Administration and management	<u>19</u>	<u>19</u>

(ii) Costs for the above persons:

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Wages and salaries	785	745
Social security costs	82	75
Other pension costs	<u>29</u>	<u>29</u>
	<u>896</u>	<u>849</u>

5. Employees' and Directors' remuneration (continued)

The details of Directors' remuneration are as follows:

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Directors' remuneration	95	105
Pension contributions	9	9
	<u>104</u>	<u>114</u>

Retirement benefits are accruing to one Director under the Group Defined Contribution Pension Scheme (2014: one).

The remuneration of three of the Company's Directors was paid by other Group companies, which makes no recharge to the Company, and the Directors received no remuneration for their services as Directors of the Company.

6. Interest receivable and similar income

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Bank interest receivable	<u>7</u>	<u>6</u>

7. Tax on profit on ordinary activities**(i) Analysis of tax charge in the year**

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Current tax:		
Amounts payable to fellow subsidiaries for group relief	34	-
United Kingdom corporation tax	163	304
Total current tax	<u>197</u>	<u>304</u>
Deferred tax:		
Origination and reversal of timing differences:		
- current year	5	(8)
- effect of reduction in UK corporation tax rate	-	1
Total deferred tax	<u>5</u>	<u>(7)</u>
Tax charge on profit on ordinary activities	<u>202</u>	<u>297</u>

7. Tax on profit on ordinary activities (continued)

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

The current tax charge (2014: charge) for the year is lower than (2014: higher than) the standard rate of corporation tax in the UK of 20.5% (2014: 22%). The differences are shown below:

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Profit on ordinary activities before tax	<u>985</u>	<u>1,346</u>
Profit on ordinary activities at the standard rate of UK corporation tax of 20.5% (2014: 22%)	202	296
Effects of:		
- Fixed asset timing differences	<u>(5)</u>	<u>8</u>
Current tax charge for the year	<u>197</u>	<u>304</u>

(iii) Factors affecting the future tax charge

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

Proposals to reduce the main UK corporation tax to 19% on 1 April 2017 and 17% on 1 April 2020 had not been substantively enacted at the balance sheet date and are therefore not included in these financial statements.

These reductions may reduce the Company's future current tax charge accordingly, however it has not yet been possible to quantify the full anticipated effect of the announced further rate reduction. Although this should further reduce the Company's future current tax charge and reduce the Company's deferred tax assets accordingly, it is estimated that this will not have a material effect on the Company.

8. Intangible assets

	Goodwill £'000
Cost:	
At 1 October 2014 and 30 September 2015	<u>791</u>
Accumulated amortisation:	
1 October 2014	448
Charge for the year	<u>40</u>
30 September 2015	<u>488</u>
Net book value :	
30 September 2015	<u>303</u>
30 September 2014	<u>343</u>

Goodwill relates to the original purchase of the business assets and liabilities of Trek International Travel Limited by the Company which is being amortised over 20 years.

9. Tangible assets

	Computer software £'000	Computer equipment £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	Leasehold Improvements £'000	Total £'000
Cost:						
1 October 2014	710	72	40	21	11	854
Additions	53	9	5	8	-	75
30 September 2015	763	81	45	29	11	929
Accumulated depreciation:						
1 October 2014	557	55	36	15	-	663
Charge for the year	77	13	5	3	3	101
30 September 2015	634	68	41	18	3	764
Net book value:						
30 September 2015	129	13	4	11	8	165
30 September 2014	153	17	4	6	11	191

10. Debtors

	30 September 2015 £'000	30 September 2014 £'000
Trade debtors	373	255
Amounts owed by Group undertakings	3,584	2,845
Deferred tax asset (Note 12)	21	26
Other debtors	29	31
Prepayments and accrued income	155	142
	4,162	3,299

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

11. Creditors: amounts falling due within one year

	30 September 2015 £'000	30 September 2014 £'000
Group relief payable	34	-
Trade creditors	12	8
Amounts owed to Group undertakings	1,434	901
Corporation tax payable	11	143
Accruals	67	125
Deferred income	702	764
	2,260	1,941

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

12. Deferred tax

The movement in deferred taxation during the year was:

At 01 October 2014	26
Charged to the profit and loss account (Note 7)	(5)
At 30 September 2015	21

The elements of deferred taxation are as follows:

	30 September 2015 £'000	30 September 2014 £'000
Fixed asset timing differences	21	26
Net deferred tax asset in debtors (Note 10)	21	26

There are no unprovided deferred tax liabilities nor unrecognised deferred tax assets at either 30 September 2015 or 30 September 2014.

13. Called up share capital

	30 September 2015 £'000	30 September 2014 £'000
Issued and fully paid		
7,200,000 ordinary shares of £1 each (2014:7,200,000)	7,200	7,200

14. Profit and loss account

	£'000
At 1 October 2014	(1,606)
Profit for the financial year	783
At 30 September 2015	(823)

15. Reconciliation of movements in shareholders' funds

	Year ended 30 September 2015 £'000	Year ended 30 September 2014 £'000
Opening shareholders' funds	5,594	4,545
Profit for the financial year	783	1,049
Closing shareholders' funds	6,377	5,594

16. Related party transactions

Up until 31 July 2015, the Company was a wholly owned subsidiary of PEAK, which in turn, was 60% owned by the Group. On 31 July 2015, an agreement with the non-Group shareholders was executed such that ownership and control of 100% of the Company was passed to the Group with effect from that date.

As the Company was a wholly-owned subsidiary of PEAK up until 31 July 2015, PEAK was considered a related party until this date. Consequently the Company has taken advantage of the exemption contained in Financial Reporting Standard Number 8 "Related Party Transactions" ('FRS 8') for the period in which it was a wholly-owned subsidiary of PEAK. Therefore the Company has not disclosed transactions or balances with wholly-owned entities that form part of the group previously headed by PEAK.

In the normal course of business, the Company undertook transactions with Group entities. With effect from 31 July 2015, the Company has taken the exemption stated above from disclosing transactions and balances with wholly owned Group entities. Therefore, details of transactions with Group entities in the period from 1 October 2014 to 31 July 2015 are provided below, together with comparatives for the year ended 30 September 2014. There were no other transactions with related parties that require disclosure in accordance with FRS 8.

	Expenses		Payables outstanding	
	Year ended	Year ended	Year ended	Year ended
	30 September	30 September	30 September	30 September
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Related party				
Subsidiaries within the TUI AG group of companies	1,048	983	75	74

17. 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 Trek Investco 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.tui-group.com. No other financial statements include the results of the Company.