

**APOLLO INVESTMENT MANAGEMENT LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**for the year ended 30 September 2010**



**Company number 4883774**

## **DIRECTORS' REPORT**

The Directors present their report and the audited financial statements of Apollo Investment Management Limited ("the Company") for the year ended 30 September 2010

### **Principal activity**

The Company did not trade in the current or prior year

### **Results and dividends**

The Company's loss on ordinary activities before taxation for the year ended 30 September 2010 was £101 (2009 £26 profit). No dividends were paid during the year (2009 £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 requirements to present a business review.

### **Funding and liquidity**

The Directors have considered the funding and liquidity position of the Company and of its intermediate parent TUI Travel PLC. Following this review, the Directors consider it appropriate to continue to prepare the financial statements on the going concern basis.

### **Directors**

The Directors at the date of this report are

A L John (appointed 10 January 2011)  
P R Tymms  
J Walter

Mr D M Taylor resigned 10 January 2011

### **Directors' insurance**

The intermediate parent company, TUI Travel PLC, maintains Directors' & Officers' Liability insurance policies on behalf of the Directors of the Company.

### **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.

By Order of the Board



J Walter  
Director

Company Number 4883774

Dated 18 April 2011

**Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements for the year ended 30 September 2010**

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **Report of independent auditors to the members of Apollo Investment Management Limited**

We have audited the financial statements of Apollo Investment Management Limited for the year ended 30 September 2010 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and auditors**

As explained more fully in the Directors' Responsibilities Statement 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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.

**Report of independent auditors to the members of Apollo Investment Management Limited (continued)**

**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

*Mike Harper*

Mike Harper (Senior Statutory Auditor)  
For and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London E14 5GL

*20 April* 2011

**PROFIT AND LOSS ACCOUNT**  
 for the year ended 30 September 2010

		Year ended 30 September 2010	Year ended 30 September 2009
	Note	£	£
Interest receivable and similar income	3	1	26
Interest payable and similar charges	4	(102)	-
		<u>(101)</u>	<u>26</u>
<b>(Loss) / profit on ordinary activities before taxation</b>		<b>(101)</b>	<b>26</b>
Tax on (loss) / profit on ordinary activities	5	28	(7)
<b>(Loss) / profit for the financial year</b>	8	<u><b>(73)</b></u>	<u><b>19</b></u>

The notes from pages 7 to 10 form part of these financial statements

The results stated above are all derived from continuing operations

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents

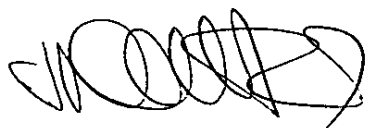
There are no recognised gains and losses other than those included in the profit and loss account. Accordingly, no statement of total recognised gains and losses is presented

**BALANCE SHEET**  
**At 30 September 2010**

		30 September 2010	30 September 2009
	Note	£	£
<b>Current assets</b>			
Debtors	6	91	164
<b>Net assets</b>		<u>91</u>	<u>164</u>
<b>Capital and reserves</b>			
Called up share capital	7	174	174
Profit and loss account	8	(83)	(10)
<b>Shareholders' funds - equity</b>	9	<u>91</u>	<u>164</u>

The notes from pages 7 to 10 form part of these financial statements

The financial statements were approved by the Board on 18 April 2011 and signed on their behalf by



J Walter  
 Director

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2010

### 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

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

#### Cash Flow Statement

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.

#### 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 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.

Prior to the balance sheet date, 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). 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. At 30 September 2010, the Company had neither deferred tax assets or liabilities. Accordingly the change in tax rate has had no impact in the current year.

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. A further three reductions of 1% will follow annually, reducing the corporation tax rate to 23% from 1 April 2014. The impact of the future rate reductions will be accounted for to the extent that they are enacted at the balance sheet date, however it is estimated that this will not have a material effect on the Company.

#### Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved for payment.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2010 (CONTINUED)**

**2. (Loss) / profit on ordinary activities before taxation**

In 2010 and 2009, the auditors' remuneration was paid by another group company. The audit fee relating to the Company was as follows:

	Year ended 30 September 2010 £	Year ended 30 September 2009 £
Fees for the audit of the Company	<u>5,000</u>	<u>5,000</u>

Fees paid to the Company's auditors, KPMG Audit Plc, and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements. This is on the basis that such non-audit fees are disclosed in the consolidated financial statements of the Company's intermediate parent, TUI Travel PLC, which are available from the address shown in Note 11.

In both the current and prior year, the Directors received no remuneration for their services to the Company during the year (2009: £nil). The Company had no employees in either year.

**3. Interest receivable and similar income**

	Year ended 30 September 2010 £	Year ended 30 September 2009 £
Interest receivable from group companies	<u>1</u>	<u>26</u>

**4. Interest payable and similar charges**

	Year ended 30 September 2010 £	Year ended 30 September 2009 £
Interest payable to group companies	<u>(102)</u>	<u>-</u>

**5. Taxation on (loss) / profit on ordinary activities**

**(i) Analysis of tax (credit) / charge in year**

	Year ended 30 September 2010 £	Year ended 30 September 2009 £
Current tax		
- Amount (receivable from) / payable to fellow subsidiaries for group relief	(28)	7
<b>Tax (credit) / charge on (loss) / profit on ordinary activities</b>	<u><b>(28)</b></u>	<u><b>7</b></u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2010 (CONTINUED)**

**5. Taxation on (loss) / profit on ordinary activities (continued)**

**(ii) Factors affecting tax (credit) / charge for the year**

The current tax credit (2009 charge) for the year is equal (2009 equal) to the standard rate of corporation tax in the UK of 28% (2009 28%) This is explained as below

	Year ended 30 September 2010 £	Year ended 30 September 2009 £
(Loss) / profit on ordinary activities before tax	(101)	26
(Loss) / profit on ordinary activities at the standard rate of UK corporation tax of 28% (2009 28%)	(28)	7
Current tax (credit) / charge for year	(28)	7

**(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 after taking into account expenditure not deductible for taxation and any non-taxable income The statutory rate of UK corporation tax is reduced to 26% with effect from 1 April 2011 (Note 1)

**6. Debtors**

	30 September 2010 £	30 September 2009 £
Amounts owed by group undertakings	48	149
Group relief receivable	43	15
	91	164

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. Share capital**

	30 September 2010 £	30 September 2009 £
<b>Issued and fully paid</b>		
17,199 'A' shares of £0.01 each	172	172
200 ordinary shares of £0.01 each	2	2
	174	174

The 'A' shares rank pari passu in all respects with ordinary shares, save in respect of dividends and the application of the Company's assets on winding up or liquidation of the Company 'A' shares have the right to receive dividends in preference to ordinary shares On winding up of the Company the surplus assets of the Company will be applied first to ordinary shares and secondly to 'A' share members

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2010 (CONTINUED)**

**8. Reserves**

	Profit and loss account £
At 1 October 2009	(10)
Loss for the financial year	(73)
<b>At 30 September 2010</b>	<b>(83)</b>

**9. Reconciliation of movement in shareholders' funds**

	2010 £
Opening shareholders' funds	164
Loss for the financial year	(73)
<b>Closing shareholders' funds</b>	<b>91</b>

All shareholder funds relate to equity interests

**10. 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.

**11. 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 companies are TUI Northern Europe Limited and Thomson Travel Group (Holdings) 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.tuitravelplc.com](http://www.tuitravelplc.com). Copies of the TUI AG financial statements are available from Investor Relations, TUI AG, Karl-Wiechert-Allee 4, D-30625, Hanover or the TUI website address [www.tui-group.com](http://www.tui-group.com).