

Travel Choice Limited
Annual Report and financial statements
For the financial year ended 30 September 2017
Company number 5200755

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

Travel Choice Limited
Directors and other information

Directors

P R Lanaway
T Lindner

Registered Office

Wigmore House
Wigmore Lane
Luton
LU2 9TN

Independent Auditor

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

Registered number

5200755

The Directors present their report on and the audited financial statements of Travel Choice Limited (the "Company") for the financial year ended 30 September 2017.

The Company's principal activity during the financial year continued to be that of acting as an intermediate holding company for subsidiaries active in the development of hotel accommodation and hotel operations within the TUI AG group of companies (the "Group").

Results and dividends

The Company's loss before taxation for the financial year ended 30 September 2017 was £9,904 (2016: loss of £23,739).

Funding, liquidity and going concern

At 30 September 2017, the Company had net assets of £33,538,701 (2016: £29,046,672) and net current assets of £30,060 (2016: £2,440,064). 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. Details of post balance sheet events are included in Note 19 of these financial statements.

Directors

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

P R Lanaway (appointed 28 July 2017)
T Lindner

Other Directors who served during the year were:

G S Groves (resigned 28 July 2017)

Independent auditor

Following a decision by the Audit Committee and Supervisory Board of the ultimate parent company TUI AG, the Group audit appointment for the financial year ending 30 September 2017 was rotated in line with EU regulations, and Deloitte LLP were appointed as auditor of the TUI Group, including of the Company. In line with section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed unless unwilling or disqualified and Deloitte LLP will therefore continue in office.

Directors' insurance

Throughout the financial year until the date of approval of these financial statements the ultimate parent company, TUI AG, maintained Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company. These policies meet the Companies Act 2006 definition of a qualifying third party indemnity provision.

Statement as to disclosure of information to auditors

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

Refer to Note 19 of these financial statements for details.

Report of the Directors (continued)

Exemptions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and the Company is therefore exempt from the requirement to prepare a Strategic Report. The Company has also taken advantage of the small companies exemptions in preparing this Report of the Directors.

On behalf of the Board



P R Lanaway
Director

Company Number 5200755

Dated 26 July 2018

Statement of Directors' responsibilities

The Directors are responsible for preparing the director's report and the financial statements in accordance with the Companies Act 2006.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its loss for the financial year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Travel Choice Limited (the 'company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of Directors has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Report of Directors.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report and from the requirement to prepare a Strategic report.

We have nothing to report in respect of these matters.

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
26 July 2018

Travel Choice Limited

Statement of Comprehensive income for the financial year ended 30 September 2017

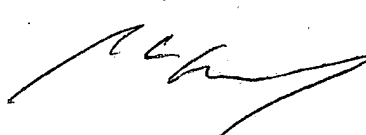
		Financial year ended 30 September 2017	Financial year ended 30 September 2016
	Note	£	£
Finance income	6	8,241	369,450
Finance expense	7	(18,145)	(393,189)
Loss before taxation	8	(9,904)	(23,739)
Tax credit	10	1,933	4,745
Loss for the financial year attributable to owners of the parent		(7,971)	(18,994)
Total comprehensive expense for the financial year attributable to owners of the parent		(7,971)	(18,994)

Travel Choice Limited
Statement of Financial Position as at 30 September 2017

	Note	Financial year ended 30 September 2017 £	Financial year ended 30 September 2016 £
Non-current assets			
Investments in joint ventures	11	33,508,641	26,606,608
Loans and receivables	12	-	-
		<u>33,508,641</u>	<u>26,606,608</u>
Current assets			
Loans and receivables	12	37,313	2,585,044
Deferred tax assets	13	-	64
		<u>37,313</u>	<u>2,585,108</u>
Total assets		<u>33,545,954</u>	<u>29,191,716</u>
Current liabilities			
Loans and payables	14	-	(135,455)
Income tax – group relief payable		(7,253)	(9,250)
Derivative financial liabilities	15	-	(339)
		<u>(7,253)</u>	<u>(145,044)</u>
Total liabilities		<u>(7,253)</u>	<u>(145,044)</u>
Net assets		<u>33,538,701</u>	<u>29,046,672</u>
Equity			
Called up share capital	16	33,512,164	29,012,164
Retained earnings	17	26,537	34,508
Total equity attributable to owners of the parent		<u>33,538,701</u>	<u>29,046,672</u>

The notes on pages 11 to 19 form part of these financial statements.

The financial statements on pages 8 to 19 were approved and authorised for issue by the Board of Directors on 26 July 2018 and signed on its behalf by:


P R Lanaway
Director

Company Number 5200755

Travel Choice Limited

Statement of Changes in equity for the financial year ended 30 September 2017

	Called up share capital £	Retained earnings £	Total equity £
At 1 October 2015	29,012,164	53,502	29,065,666
Total comprehensive loss for the financial year	-	(18,994)	(18,994)
At 30 September 2016	29,012,164	34,508	29,046,672
Share capital increase	4,500,000	-	4,500,000
Total comprehensive loss for the financial year	-	(7,971)	(7,971)
At 30 September 2017	33,512,164	26,537	33,538,701

1. General information

The Company is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered and domiciled in England and Wales. The address of its registered office is Wigmore House, Wigmore Lane, Luton, LU2 9TN. The Company's registered number is 5200755.

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 measured 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 Standards ("IFRS").

Going concern

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

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the TUI AG group to continue as a going concern or its ability to continue with the current banking arrangements.

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

Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in the Company's functional currency of Sterling, rounded to the nearest pound.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the financial years presented.

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

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

Investments are recognised at cost less accumulated impairment losses.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit and loss, loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedged. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current investments.

(ii) 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 comprise loans due from its joint venture, which do not bear interest. They are recognised initially at fair value.

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 statement of total comprehensive income within finance income or finance expense. Changes in the fair value of the hedged asset or liability that are attributable to the hedged risk are also recognised within the statement of total comprehensive income in the category to which they relate.

3. Summary of significant accounting policies (continued)

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.

Foreign currency translation

Foreign currency transactions are initially translated into the Company's functional currency using the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing on the balance sheet date. Foreign exchange gains and losses resulting from translation to financial year-end rates are recognised in the statement of total comprehensive income.

Finance income and finance expense

Finance income recognised in the statement of total comprehensive income mainly comprises gains on foreign exchange and gains on derivative financial instruments. Finance expense recognised in the statement of total comprehensive income comprises losses on foreign exchange and losses on the fair value of derivative financial instruments.

Current and deferred tax

The tax expense for the financial 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 financial year. To the extent available, the amount is first recovered from, or surrendered to, other Group companies as group relief.

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.

4. Reduced disclosures permitted by FRS 101

The Company meets the definition of a qualifying entity of TUI AG, as defined by FRS 100, as the results of this Company are fully consolidated into the Group financial statements of TUI AG. Details for obtaining the Group financial statements of TUI AG can be found in Note 20. 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 statement of financial position as at the beginning of the preceding financial period when an entity applies an accounting policy retrospectively or when it reclassifies items in its financial statements.
	16	A statement of compliance with all IFRS.
	134 to 136	Information on the Company's objectives, policies and processes for managing capital.
IAS 7 'Statement of cash flows'	All paragraphs	IAS 7 disclosures in full.
IAS 8 'Accounting policies, changes in accounting estimates and errors'	30 and 31	New standards and interpretations that have been issued but which are not yet effective.
IAS 24 'Related party transactions'	17 and the requirements to disclose transactions between two group subsidiaries.	Detailed related party transaction information including key management compensation and transactions with other wholly owned subsidiaries of the Group.

5. Critical accounting estimates and judgments

The preparation of financial statements in conformity with FRS 101 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an 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 financial year are disclosed as follows:

a) Investments in and loans to joint ventures

Judgement is required in the assessment of the carrying amount of the investments in the Company's joint ventures and its loan to the Company's joint ventures. Estimation of the recoverable amount of investments and the loans requires the Company to assess future cash flows projected to be generated by the joint ventures, which in turn are dependent upon a variety of factors including prevailing economic conditions, the geopolitical situation in Turkey and consumer demand for Turkey's hotels.

6. Finance income

	Financial year ended 30 September 2017 £	Financial year ended 30 September 2016 £
Gains on derivative financial instruments	7,915	-
Foreign exchange gains on revaluation of loan	-	369,450
Interest income	326	-
Total finance income	<u>8,241</u>	<u>369,450</u>

7. Finance expense

	Financial year ended 30 September 2017 £	Financial year ended 30 September 2016 £
Foreign exchange losses on revaluation of loan	18,145	-
Losses on derivative financial instruments	-	393,189
Total finance expense	<u>18,145</u>	<u>393,189</u>

8. Loss before taxation

	Financial year ended 30 September 2017 £	Financial year ended 30 September 2016 £
Loss before taxation is stated after crediting Foreign exchange gain	<u>(8,241)</u>	<u>(369,450)</u>

Auditor's remuneration

In 2017 and 2016, the auditor's remuneration was borne and paid by another Group company. It has not been possible to separately identify the audit fee relating to this entity.

9. Employees and Directors

There were no employees in either financial year ended 30 September 2017 or 30 September 2016.

Directors' remuneration

The Directors received no remuneration for their services as Directors of the Company (2016: £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 (2016: £nil). It is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Their total emoluments are included in the aggregate of Directors' emoluments disclosed in the financial statements of another Group company.

10. Tax credit

The tax credit can be summarised as follows:

(i) Analysis of tax credit in the financial year

	Financial year ended 30 September 2017 £	Financial year ended 30 September 2016 £
Current tax:		
Amounts receivable from fellow subsidiaries for group relief	(1,997)	(5,272)
Total current tax	(1,997)	(5,272)
Deferred tax:		
Origination and reversal of temporary differences:		
- Current financial year	66	524
- Effect of change in tax rate	(2)	3
Total deferred tax (Note 13)	64	527
Total tax credit in the statement of total comprehensive income	(1,933)	(4,745)

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

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

	Financial year ended 30 September 2017 £	Financial year ended 30 September 2016 £
Loss before taxation	(9,904)	(23,739)
Loss multiplied by the effective standard rate of UK corporation tax of 19.5% (2016: 20.0%)	(1,931)	(4,748)
Effects of:		
- Remeasurement of deferred tax – change in UK tax rate	(2)	3
Total tax credit in the statement of total comprehensive income	(1,933)	(4,745)

(iii) Factors affecting the future tax expense

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

At the balance sheet date, both Finance (No. 2) 2015 Act and Finance Act 2016 had been substantively enacted confirming that the main UK corporation tax rate reduced to 19% with effect from 1 April 2017 and will reduce further to 17% from 1 April 2020. Therefore, at 30 September 2017, deferred tax assets and liabilities have been calculated based on rates of 19% and 17% where the temporary differences are expected to reverse before and after 1 April 2020 respectively. These reductions may reduce the Company's future tax expenses accordingly.

11. Investments in joint ventures

	Investments in joint ventures £
Cost and net book value:	
At 1 October 2016	26,606,608
Capital injection	6,902,033
At 30 September 2017	<u>33,508,641</u>

List of investments in joint ventures at 30 September 2017:

Name of undertaking	Country of incorporation	Registered address	Share class	% held by directly by the Company	Total held by other Group companies
Bartu Turizm Yatirimlari Anonim Sirketi	Turkey	Ebulula Cad. Mayameridien, Plaza D.2 Blok, Kat:3 D:13 Akatlar, Istanbul	TRL 1.00 Ordinary shares	50.00	-

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. Loans and receivables

	Financial year ended 30 September 2017		Financial year ended 30 September 2016	
	Non-current	Current	Non-current	Current
	£	£	£	£
Amounts due from joint ventures	-	-	-	2,585,044
Amounts due from the parent	-	37,313	-	-
	<u>-</u>	<u>37,313</u>	<u>-</u>	<u>2,585,044</u>

Amount due from joint ventures

The amount due from joint ventures at 30 September 2016 consisted of a €3,000,000 loan to Bartu Turizm Yatirimlari Anonim Sirketi which was converted into equity on 29 March 2017.

Amounts due from the parent

Amounts due from the parent are a call notice deposit account repayable on demand.

13. Deferred tax assets

	Financial year ended 30 September 2017	Financial year ended 30 September 2016
	£	£
Financial instruments	-	64
	<u>-</u>	<u>64</u>

13. Deferred tax assets (continued)

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

	Financial Instruments £	Other short term differences £	Total £
At 1 October 2015	2,788	(2,197)	591
(Charged)/credited to the statement of total comprehensive income	(2,724)	2,197	(527)
At 30 September 2016	64	-	64
Charged to the statement of total comprehensive income	(64)	-	(64)
At 30 September 2017	-	-	-

Financial instruments temporary differences arise in respect of financial instruments accounted for under IAS 39. Other short term differences relate to the revaluation of monetary items on transition to FRS 101 for which the Company will suffer tax on in the following financial year.

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

14. Loans and payables

	Financial year ended 30 September 2017 £	Financial year ended 30 September 2016 £
Amounts due to other Group companies	-	135,455

15. Derivative financial instruments

	Financial year ended 30 September 2017 £	Financial year ended 30 September 2016 £
Liabilities		
Forward foreign exchange contracts	-	(339)
Total and current portion	-	(339)

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 contracts were used by the Company to mitigate against the risk of adverse foreign exchange losses on a €3,000,000 loan to Bartu Turizm Yatirimlari Anonim Sirketi.

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

The amount recognised in the statement of comprehensive income that arises from fair value hedges amounts to a loss of £34,546 (2016: gain of £13,603).

16. Called-up share capital

	30 September 2017	30 September 2016
	£	£
Authorised		
33,512,164 (2016: 29,012,164) ordinary shares of £1.00 each	<u>33,512,164</u>	<u>29,012,164</u>
Issued and fully paid		
33,512,164 (2016: 29,012,164) ordinary shares of £1.00 each	<u>33,512,164</u>	<u>29,012,164</u>
		Called up share capital
		£
At 30 September 2016		29,012,164
Share capital increase		<u>4,500,000</u>
At 30 September 2017		<u>33,512,164</u>

On 29 March 2017 a share issue of £4,500,000 was approved by the directors in order to finance an equity injection of €5m in Bartu Turizm Yatirimlari Anonim Sirketi, a joint venture of Travel Choice Limited. The share issue was for 4,500,000 ordinary shares of £1.00 each.

17. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

18. Contingent liabilities

In the financial year ending 30 September 2017 the Company has guaranteed bank loans, jointly with the co-investors of its joint venture amounting to €73,720,588 (2016: €69,975,000). The company has guaranteed 50% of the value of these loans, which as at 30 September 2017 is €36,860,294 (2016: €34,987,500).

19. Post balance sheet events

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

On 8 March 2018 the Company guaranteed a loan facility jointly with the co-investors of its joint venture amounting to €20,000,000.

20. 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 Overseas Holdings Limited, a company incorporated in the United Kingdom.

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