

**Travel Contracting Limited**  
**Directors' report and financial statements**  
**for the year ended 30 September 2012**  
**Company number 5850906**



**Travel Contracting Limited**  
**Directors' report for the year ended 30 September 2012**

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The Directors submit their report and the audited financial statements of Travel Contracting Limited ("the Company") for the year ended 30 September 2012

**Principal activity**

The Company's principal activity is the wholesale provision of transport services to fellow subsidiary undertakings in the TUI Travel PLC group of companies ("the Group")

**Results and dividends**

The profit on ordinary activities before taxation for the year ended 30 September 2012 amounted to £33 (2011 £23) There were no dividends paid during the year (2011 £nil) 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 an enhanced 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 Following this review, the Directors consider it appropriate to continue to prepare the financial statements on the going concern basis

**Directors**

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

F Dick	(appointed 15 January 2013)
N K Rust	(appointed 10 May 2013)

Other Directors who served during the year were

R C Bainbridge	(appointed 7 March 2012 and resigned 31 March 2013)
A H Fraser	(appointed 13 March 2012 and resigned 14 May 2013)
D Mee	(resigned 18 October 2012)
P Williams	(resigned 15 November 2011)
J Wimbleton	(resigned 10 October 2012)

**Policy and practice on payment of suppliers**

It is the Company's policy wherever possible to agree terms of payment with suppliers in advance to ensure that they are made aware of the terms of payment and both parties abide by those terms

**Directors' insurance**

The intermediate parent company, TUI Travel PLC, maintains Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company for all wrongful acts The policies meet the 2006 Companies Act definition of a qualifying third party indemnity provision, and these policies were in place during the year and at the date of approval of the financial statements

**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

**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

**Travel Contracting Limited**  
**Directors' report for the year ended 30 September 2012 (continued)**

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**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 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

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.

The report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the Board



N K Rust  
Director

Dated 27 June 2013

Company number 5850906

## **Travel Contracting Limited**

### **Independent auditors' report to the members of Travel Contracting Limited**

We have audited the financial statements of Travel Contracting Limited for the year ended 30 September 2012 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 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 2012 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.

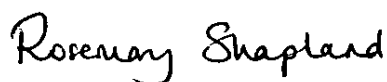
#### **Opinion on other matter prescribed by the Companies Act 2006**

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.

#### **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, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report.



Rosemary Shapland (Senior Statutory Auditor) Dated 27 June 2013  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Gatwick

**Travel Contracting Limited**  
**Profit and loss account for the year ended 30 September 2012**

	Note	Year ended 30 September 2012 £	Year ended 30 September 2011 £
<b>Turnover</b>		<b>989,488</b>	<b>1,561,181</b>
Cost of sales		<u>(941,332)</u>	<u>(1,299,305)</u>
<b>Gross profit</b>		<b>48,156</b>	<b>261,876</b>
Administrative expenses		<u>(48,396)</u>	<u>(261,945)</u>
<b>Operating loss</b>		<b>(240)</b>	<b>(69)</b>
Interest receivable and similar income	5	<u>273</u>	<u>92</u>
<b>Profit on ordinary activities before taxation</b>	2	<b>33</b>	<b>23</b>
Tax on profit on ordinary activities	6	<u>(8)</u>	<u>(6)</u>
<b>Profit for the financial year</b>	10	<u><b>25</b></u>	<u><b>17</b></u>

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

**Travel Contracting Limited**  
**Balance sheet at 30 September 2012**

	Note	30 September 2012 £	30 September 2011 £
<b>Current assets</b>			
Debtors	7	1,003,339	1,351,680
Cash at bank and in hand		80,756	80,724
		<u>1,084,095</u>	<u>1,432,404</u>
<b>Creditors amounts falling due within one year</b>	8	<u>(1,084,052)</u>	<u>(1,432,386)</u>
<b>Net current assets</b>		<b>43</b>	<b>18</b>
<b>Net assets</b>		<u><b>43</b></u>	<u><b>18</b></u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account	10	42	17
<b>Total shareholders' funds</b>	11	<u><b>43</b></u>	<u><b>18</b></u>

The notes on pages 6 to 9 form part of these financial statements

The financial statements were approved by the Board on 27 June 2013 and signed on its behalf by



N K Rust  
**Director**

**1. Accounting policies**

The following accounting policies have been applied consistently 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 the Companies Act 2006, applicable United Kingdom accounting standards and under the historical cost convention

**Cash Flow**

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**

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous periods

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.

On 22 June 2010, 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 (having been substantively enacted on 20 July 2010). Subsequent UK Budget Statements have announced additional reductions in the main UK corporation tax rate to 26% taking effect from 1 April 2011, and 24% taking effect from 1 April 2012.

At the balance sheet date, the Finance Act 2012 had been substantively enacted confirming that the main UK corporation tax rate will be 23% from 1 April 2013. Therefore, at 30 September 2012, deferred tax assets and liabilities have been calculated based on a rate of 23% where the temporary difference is expected to reverse after 1 April 2013.

Further proposals to reduce the main UK corporation tax rate to 21% on 1 April 2014 and to 20% on 1 April 2015 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. It has not yet been possible to quantify the full anticipated effect of the rate reduction. Although this should further reduce the Company's future current tax charge and reduce the Company's deferred tax liabilities / assets accordingly, it is estimated that this will not have a material effect on the Company.

**Turnover**

The Company has one class of business, namely the wholesale provision of transport services. All turnover originates within the UK and is stated net of discounts and value added tax. Revenue is recognised on the date of provision of the relevant services.

**2 Profit on ordinary activities before taxation**

**Auditors' remuneration**

In 2012 auditors' remuneration was £5,000 and was borne by another Group company. In 2011 auditors' remuneration was also borne by another Group company. It has not been possible to separately identify the audit fee relating to this entity.

**3 Employee numbers and costs**

The Company had no employees during the year or the preceding year.

**4 Directors' remuneration**

The Directors received no remuneration for their services to the Company (2011: nil) and were paid by another Group company, which makes no recharge to the Company. These Directors are also Directors of a number of companies within the Group. It is therefore not possible to make an apportionment of their remuneration in respect of the Company and each of the Group companies where they are a Director.

**5 Interest receivable and similar income**

	Year ended 30 September 2012 £	Year ended 30 September 2011 £
Bank interest receivable	273	92

**6 Tax on profit on ordinary activities**

**i) Analysis of tax charge in year**

	Year ended 30 September 2012 £'000	Year ended 30 September 2011 £'000
Current tax		
Amounts payable to fellow subsidiaries for group relief	8	6
<b>Total current tax</b>	<b>8</b>	<b>6</b>
<b>Tax charge on profit on ordinary activities</b>	<b>8</b>	<b>6</b>

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

The current tax charge for the year is equal (2011: equal) to the standard rate of corporation tax in the UK of 25% (2011: 27%). This is shown below.

	Year ended 30 September 2012 £'000	Year ended 30 September 2011 £'000
Profit on ordinary activities before tax	33	23
Profit on ordinary activities at the standard rate of UK corporation tax of 25% (2011: 27%)	8	6
<b>Current tax charge for year</b>	<b>8</b>	<b>6</b>



**Travel Contracting Limited**  
**Notes to the financial statements for the year ended 30 September 2012**

**6 Tax on profit on ordinary activities (continued)**

**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. The statutory rate of UK corporation tax will reduce to 23% with effect from 1 April 2013.

As at 30 September 2012 and as at 30 September 2011 there are no unrecognised deferred tax assets or unprovided deferred tax liabilities.

<b>7. Debtors</b>	<b>30 September 2012 £</b>	<b>30 September 2011 £</b>
Amounts owed by Group undertakings	<b>941,333</b>	1,299,305
Value added tax recoverable	<b>62,006</b>	52,375
	<b><u>1,003,339</u></b>	<b><u>1,351,680</u></b>

Amounts owed by Group undertakings are unsecured, have no fixed date of repayment and do not bear interest.

**8. Creditors amounts falling due within one year**

	<b>30 September 2012 £</b>	<b>30 September 2011 £</b>
Amounts owed to Group undertakings	<b>1,084,038</b>	1,432,380
Group relief payable	<b>14</b>	6
	<b><u>1,084,052</u></b>	<b><u>1,432,386</u></b>

Amounts owed to Group undertakings are unsecured, have no fixed date of repayment and do not bear interest.

<b>9. Share capital</b>	<b>30 September 2012 £</b>	<b>30 September 2011 £</b>
<b>Issued and fully paid</b>		
1 (2011 1) ordinary share of £1 each	<b><u>1</u></b>	<b><u>1</u></b>

**10. Profit and loss account**

	<b>£</b>
At 1 October 2011	17
Profit for the year	25
<b>At 30 September 2012</b>	<b><u>42</u></b>

**11 Reconciliation of movements in shareholders' funds**

	<b>Year ended 30 September 2012 £</b>	<b>Year ended 30 September 2011 £</b>
Opening shareholders' funds	<b>18</b>	1
Profit for the financial year	<b>25</b>	17
<b>Closing shareholders' funds</b>	<b><u>43</u></b>	<b><u>18</u></b>

**12 Related party transactions**

The Company has taken advantage of the exemption contained in Financial Reporting Standard No 8 "Related Party Disclosures" 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.

**13. 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 and controlling party. The intermediate holding company is TUI Travel PLC. The immediate parent company is CHS Tour Services GmbH.

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](http://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](http://www.tui-group.com).