Meetings & Events UK Limited
Annual report and financial statements
for the financial year ended 30 September 2020
Company number 06018823

Meetings & Events UK Limited
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Directors	D C Schelp L D Bailey TUI Travel Limited
Registered Office	Wigmore House Wigmore Lane Luton Bedfordshire LU2 9TN United Kingdom
Independent Auditor	Deloitte LLP Statutory auditor 1 New Street Square London EC4A 3HQ United Kingdom
Bankers	Citibank N.A Canada Square Canary Wharf London E14 5LB
Registered number	06018823

The Directors present their Strategic Report on Meetings & Events UK Ltd (the "Company") for the financial year ended 30 September 2020.

Principal Activities

The Company's principal activities during the financial year were the provision of services to the ocean cruise industry and the Company remains part of the TUI AG Group of companies (the "Group"). The Company expects this to continue for the foreseeable future.

The Company's former principal activity was in the provision of services related to Meetings, Incentives, Conferences & Events ("MICE"), which was in decline, and these activities ceased in July 2020.

Key Performance Indicators

To effectively measure the development, performance and position of the Company, the following Key Performance Indicators (KPIs) are of most relevance.

	Financial year ended 30 September 2020	Financial year ended 30 September 2019
Revenue	**£6,077,359**	£24,342,319
Loss before taxation	**£(5,773,869)**	£(1,573,845)
Net liabilities	**£(8,661,752)**	£(3,256,048)
Non-financial KPIs		
Number of Port Calls	**263**	1,079

Review of the business

Until July 2020, Meetings & Events UK Ltd traded under two brands:

- Intercruises Shoreside & Port Services ("Intercruises") our core business providing 99% of turnover in the UK & Ireland. This is split into four key business areas:
  - turnaround services (transfers),
  - shore excursions,
  - port operations and
  - arranging UK hotel accommodation for the ocean cruise lines customers.
- Pacific World ("MICE") which provided services for meetings, incentives, conferences and events. In July 2020, this brand was discontinued and ceased operating in the UK due to low market share, high operating costs and the effect of COVID-19 on this industry.

The decrease in revenue in the year was driven by:

- MICE business closure July 2020, with reduced pipeline in first half year.
- Regular cruise operations for first half year only, remainder of year solely port agency services

Our mission is to deliver extraordinary value and grow sales in multiple channels by leveraging our global resources, applying our local teams' expertise and embracing market-leading technology to provide high quality and innovative products & services for cruise guests, ships and crew.

The Company's future plans include increasing its offering, by providing UK excursions & tickets in certain large UK cities via the TUI Musement platform and have signed a deal in February 2021 in relation to this, with a well known hotel and flight comparison website.

On 1 April 2018, the Company sold the trading business of the French branch to a related party, and on 23 September 2019 the remaining part of the French branch still held within the Company was liquidated.

Review of the business (continued)

The development, performance and position of the TUI Musement (formerly Destination Experience) section of the Holidays and Experiences segment of the Group, which includes the Company, are discussed in the Group's annual report within "Segmental performance" on pages 61-65 and in the "Segment reporting" disclosures on pages 170-173, which does not form part of this report. The Group's annual report can be obtained from the sources set out in Note 24 of the accompanying financial statements.

The Company's loss before taxation for the financial year ended 30 September 2020 was £5,773,869 (2019: £1,573,845 loss). No dividends were paid during the year (2019: £nil) and the Directors do not recommend the payment of a final dividend (2019: £nil).

The worldwide pandemic resulting from the spread of the COVID-19 virus has caused a significant interruption to the Company's business, beginning in March 2020. In line with the UK Government domestic and international policies put in place to stop the spread of the virus, the Company took steps to suspend its activities, except for Port Agency operations and crew related services for vessels moored in UK waters.

At the date of approval of these financial statements, international travel is still restricted to varying degrees across the world.

The Company has taken a number of swift and decisive cost reduction measures, including furloughing of staff in response to reduced activity, temporarily reducing the hours and pay of staff who were required to continue to work, and a range of other measures which reduce the fixed cost base of the business at a time when the cruise industry is suspended.

The Company has benefited from the UK Government measures put in place to mitigate the impact of the pandemic, including active participation in the Government's Job Retention Scheme and agreement with HMRC tax authorities to delay the payment of certain business taxes. In addition, TUI AG has secured:

- EUR 2.85 billion additional funding from KfW (a German state-owned bank)
- A further financing package of EUR 1.8 billion with Unifirm Limited, a banking consortium, KfW and the Economic Stabilisation Fund (WSF) which included an EUR 509m share issue.
- An offering of senior unsecured bonds convertible due in 2028 with an aggregate principal amount of € 400 million.

Elements of funding is available for use by this Company.

The business, alongside the whole travel industry, remains negatively impacted by the COVID-19 pandemic.
At the point of signing of these financial statements, whilst it is not exactly foreseeable when full travel restrictions will be lifted there has been significant progress in the UK in vaccinating against COVID-19 virus and on 9 April 2021, the Government travel task force published its recommendations to support the safe return of essential international travel, that commenced on 17th May 2021. In July 2021 the UK government announced that international cruise sailings can restart from England from 2 August, in line with Public Health England guidance. Over time, the Directors fully expect restrictions to be reduced and alongside the measures taken by the Group around re-financing and capital increases to further improve its working capital and liquidity position.

Even though demand for overseas travel is impacted, cruise is starting to improve as travel restrictions are lifted and the fundamental of the business remain strong.

Whilst at this stage it is too early to know the full impact of the pandemic on the future results and financial position of the Company, they are expected to be impacted, due to the ongoing travel restrictions in place until mid-summer 2021.

Funding, liquidity and going concern
At 30 September 2020, the Company had net liabilities of £8,661,752 (2019: £3,256,048).

As described in Note 2, the Directors have prepared the financial statements on a going concern basis as they believe the actions taken to date, together with the Company and the Group's current liquidity position and contingency plans to secure additional funding, will allow the Company to continue its activities once all travel restrictions are lifted.

The treasury function is managed centrally in the Group and supports the business activities and financial risks faced by the Company. This support includes setting and monitoring hedging policies in the Group, centralising the Group's cash management systems, reporting and monitoring daily cash balances and forecasting cash requirements for the foreseeable future.

Employee involvement and communication
We have engaged colleagues with great ideas and strive to involve our people with matters impacting them. We receive feedback through employee opinion surveys, which form an important strategic tool across the Company, as they provide honest feedback that can drive business improvements. We value two-way communication, having a significant number of proactive employee forums in place, to ensure that we have an on-going dialogue to involve colleagues with matters that are important to them. This is facilitated through elected employee representatives and, directly, in team meetings and larger briefings.

Disabled employees
The policy of the Company is to give full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes and abilities. Whenever possible, the Company continues to employ those employees who have become disabled. The Company makes arrangements for the training and career development of all disabled employees.

Post balance sheet events
Details of post balance sheet events can be found in Note 23.

Principal risks and uncertainties
Successful management of existing and emerging risks is critical to the long-term success of our business and to the achievement of our strategic objectives. In order to seize market opportunities and leverage the potential for success, risk must be accepted to a reasonable degree. Risk management is therefore an integral component of the Group's Corporate Governance.

The worldwide pandemic resulting from the spread of the COVID-19 virus has caused a significant interruption to the Company's business, beginning in March 2020. The situation continues to evolve, however it demonstrates that an infectious disease which results in a pandemic, can have a dramatic impact on operations in a relatively short space of time. Whilst the spread of the disease and the measures mandated by Government agencies around the world are not within the Company's control, the Group has mobilised experienced teams who are capable of managing the impacts of the disruption on our customers, colleagues and key partners and who can implement the actions necessary to safeguard the Company until operations can resume.

As it is uncertain how long Governmental travel restrictions and social distancing measures of source and destination countries will last, management continues to monitor developments closely so that swift action can be taken to update policies and procedures in response to the changing situation, with a view to restarting operations as soon as it is safe and practicable to do so. Once the ocean cruise industry restarts it is also not certain how quickly operations will return to pre-crisis levels.

The volatility of the macroeconomic environment has a potential to influence the economy and as a result impact customer demand. Despite the continued risk, the differentiation of our customer offering will ensure the Group continue to adapt in the ever changing business environment.

Principal risks and uncertainties (continued)
Set against the evolving macroeconomic environment, the principal risks and uncertainties which are common to the Group and the Company are:

- **Financial risk.** The Company's activities expose it to a limited measure of financial risk; including credit risk, liquidity risk and cash flow risk.

  To minimise liquidity risk, the Company's financial management is centrally operated by TUI AG which acts as the Group's internal bank. The financial management goals include ensuring sufficient liquidity for TUI AG and its subsidiaries and limiting financial risks from fluctuations in currencies, commodity prices and interest rates as well as default risks of treasury activities.

  The Group operates liquidity safeguards which have the following two components:

  i) In the course of the annual Group planning process, a multi-year budget is drawn up, from which long-term financing and re-financing requirements are derived. This information and financial market observation to identify refinancing opportunities create a basis for decision-making, enabling appropriate financing instruments for the long-term funding of the Company to be adopted at an early stage.

  ii) The Group uses syndicated credit facilities and bilateral bank loans as well as its liquid funds to secure sufficient short-term cash reserves. Through intra-group cash pooling, the cash surpluses of individual Group companies are used to finance the cash requirements of other Group companies. Bank account dispositioning is based on a monthly rolling liquidity forecast system.

  Despite the financial backing of a global organisation the Company recognises the highly seasonal nature of its business, and the inherent associated cash-flow risk. Tourism is an inherently seasonal business with the majority of profits earned in the European summer months.

  Cash flows are similarly seasonal, with the cash low occurring in the winter as liabilities have to be settled with many suppliers after the summer season.

  Details of the Group's financial management strategies are included in the risk report of the TUI AG Annual Report.

- **Destination disruption.** Providers of holiday and travel services are exposed to the inherent risk of incidents affecting some countries or destinations within their operations. This can include natural catastrophes such as hurricanes or tsunamis; outbreaks of disease such as Ebola, or the recent worldwide pandemic resulting from the spread of the COVID-19 virus; political volatility as has been seen in Egypt, Turkey and Greece in recent years; the implications of war in countries close to our markets and destinations; and terrorist events such as the tragic incident in Tunisia in 2015. There is the risk that if such an event occurs, impacting one or more of our destinations that we could potentially suffer significant operational disruption and costs in our businesses. We may possibly be required to repatriate our customers and / or the event could lead to a significant decline in demand for holidays to the affected destinations over an extended period of time. The risk has heightened due to COVID-19 whereby the Group is experiencing more destination disruption due to constant changes in travel advice and corridors.

- **Customer demand.** Spending on travel and tourism is discretionary and price sensitive as well as competitive. The economic outlook remains uncertain with different markets at different points in the economic cycle and suffering differing levels of economic impact due to COVID-19. There is the risk that these external factors within our industry will impact on the spending power of our customers, which could impact our short-term growth rates and lead to margin erosion.

- **Legal & regulatory compliance.** The Group 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.

Principal risks and uncertainties (continued)

- **Health & safety.** For all providers of holiday and travel services, ensuring the health and safety of customers is of paramount importance. Therefore, we have introduced measures to enable guests to enjoy their holidays in the knowledge that the highest hygiene standards in relation to COVID-19 have been put in place. There is the risk of accidents occurring causing illness, injury or death to customers or colleagues whilst on holiday. This could result in reputational damage to the business and/ or financial liabilities through legal action being taken by the affected parties.

- **Supplier reliance.** Providers of holiday and travel services are exposed to the inherent risk of failure in their key suppliers, particularly for hotels, transport providers, tourist attractions. There is the risk that we are unable to continue with our core operations in the event of a major service failure from our key suppliers.

- **Corporate and social responsibility.** Our focus is to reduce the environmental impact of our holidays and promote responsible social policies and outcomes both directly through our own business and indirectly via our influence over our supply chain partners, thereby creating positive change for people and communities and being a pioneer of sustainable tourism across the world. There is a risk that we are not successful in driving forecast social and environmental improvements across our operations, that our suppliers do not uphold our corporate and social responsibility standards and we fail to influence destinations to manage tourism more sustainably. If we do not maximize our positive impact on destinations and minimize the negative impact to the extent that our stakeholders expect, this could result in a decline in stakeholder confidence, reputational damage, reduction in demand for our products and services and loss of competitive advantage.

- **Information security.** Our responsibility is to protect the confidentiality, integrity and availability of the data we have to provide to our customers, employees, suppliers and service delivery teams. This is a dynamic risk due to increased global cyber-crime activity and new regulations (e.g. EU GDPR). 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 and leadership development.** Our success depends on the ability to attract, retain and develop our talent to ensure that we equip our employees to deliver our strategy as well as to also become our future leaders. There is a risk that we are unable to attract and retain key talent, build future leadership capability and maintain the commitment and trust of our employees. Due to the pandemic this risk has increased this year as a result of the cost saving measures related to our employees.

During the year, the Directors managed these risks and uncertainties of the Company in co-ordination with its fellow subsidiaries in the Group and the Directors of the ultimate parent undertaking, TUI AG. Further information on these risks, together with how these are mitigated, can be found on pages 33-49 of the TUI AG Annual Report 2020. Details of where these financial statements can be obtained are in Note 24 of these financial statements.

Approved by the Board and signed on its behalf by

LD Bailey
Director

Company Number 06018823 Date: 10 December 2021

Directors and their interests
The Directors of the Company who were in office at any time during the financial year and up to the date of signing the financial statements were:

L D Bailey (appointed 30 September 2020)
D C Schelp
Tui Travel Limited

Other Directors who served during the financial year were:

G P Weaver (appointed 16 September 2019 and resigned 30 September 2020)

Independent auditor
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. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Review of the business
A fair review of the business including an analysis of the performance and financial position of the Company, together with details of financial risk exposure and management, dividends, going concern and future developments are included within the Strategic Report.

Post balance sheet events
Details of post balance sheet events can be found in Note 23.

Approved by the Board and signed on its behalf by

LD Bailey
Director

Company Number 06018823

Date: 10 December 2021

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;
- state whether applicable United Kingdom Accounting Standards have been followed; 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;
- safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, and
- the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Meetings & Events UK Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its loss for the 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 which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related Notes 1 to 24.

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 Directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have 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 Strategic report or the Directors' report.

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.

We have nothing to report in respect of these matters.

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.

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Date: 10 December 2021

Meetings & Events UK Limited
Statement of Comprehensive Income for the financial year ended 30 September 2020

	Note	**Financial year ended 30 September 2020**	Financial year ended 30 September 2019
		£	£
Revenue	7	**6,077,359**	24,342,319
Cost of sales		**(4,919,829)**	(20,247,946)
Gross profit		**1,157,530**	4,094,373
Administrative expenses		**(7,088,492)**	(5,623,447)
Other operating income		**559,274**	200,084
Operating loss		**(5,371,688)**	(1,328,990)
Finance income	8	**88,848**	54,041
Finance expense	9	**(491,029)**	(235,126)
Foreign exchange differences on disposal of foreign branch		**-**	(63,770)
Loss before taxation	10	**(5,773,869)**	(1,573,845)
Tax credit/(expense)	12	**368,165**	(174,284)
Loss for the financial year attributable to owners of the company		**(5,405,704)**	(1,748,129)
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange differences on translation of foreign branch		-	2,458
Foreign exchange differences reclassified to profit or loss on disposal of foreign branch		-	63,770
Other Comprehensive Income for the financial year, net of tax, attributable to owners of the Company		-	66,228
Total comprehensive expense for the financial year, net of tax, attributable to owners of the Company		(5,405,704)	(1,681,901)

Meetings & Events UK Limited
Statement of Financial Position as at 30 September 2020

	Note	As at 30 September 2020	As at 30 September 2019
		£	£
Non-current assets			
Intangible assets	13	-	3,299,930
Property, plant and equipment	14	**7,700**	104,942
Right-of-use assets	15	**45,435**	-
Trade and other receivables	16	**11,970**	11,970
Deferred tax assets	17	**57,242**	34,685
		122,347	3,451,527
Current assets			
Trade and other receivables	16	**3,660,706**	9,215,959
Cash and cash equivalents		**608,856**	4,584,193
		4,269,562	13,800,152
Total assets		**4,391,909**	17,251,679
Current liabilities			
Lease liabilities	22	**(49,380)**	-
Trade and other payables	19	**(3,499,217)**	(11,007,727)
		(3,548,597)	(11,007,727)
Net current assets		**720,965**	2,792,425
Total assets less current liabilities		**843,312**	6,243,952
Non-current liabilities			
Interest-bearing loans and borrowings	18	**(9,500,000)**	(9,500,000)
Lease liabilities	22	**(5,064)**	-
		(9,505,064)	(9,500,000)
Total liabilities		**(13,053,661)**	(20,507,727)
Net liabilities		**(8,661,752)**	(3,256,048)
Equity			
Called up share capital	20	**43,326**	43,326
Foreign currency translation reserve	21	-	-
Retained earnings	21	**(8,705,078)**	(3,299,374)
Total equity attributable to owners of the Company		**(8,661,752)**	(3,256,048)

The notes on pages 16 to 38 form part of these financial statements.
The financial statements on pages 13 to 38 were approved and authorised for issue by the Board of Directors and signed on its behalf by:

L D Bailey
Director

Company Number: 06018823
Date: 10 December 2021

Meetings & Events UK Limited
Statement of Changes in Equity for the financial year ended 30 September 2020

	Called up share capital £	Foreign currency translation reserve £	Retained earnings £	Total equity £
At 1 October 2018	43,326	(66,228)	(1,551,245)	(1,574,147)
Loss for the financial year	-	-	(1,748,129)	(1,748,129)
Other comprehensive income:				
Foreign exchange differences on translation of foreign branch	-	2,458	-	2,458
Foreign exchange differences reclassified to profit or loss on disposal of foreign branch	-	63,770	-	63,770
Total comprehensive expense for the year ended 30 September 2019	-	66,228	(1,748,129)	(1,681,901)
At 30 September 2019	43,326	-	(3,299,374)	(3,256,048)
Loss for the financial year	-	-	(5,405,704)	(5,405,704)
Other comprehensive income	-	-	-	-
Total comprehensive expense for the year ended 30 September 2020	-	-	(5,405,704)	(5,405,704)
At 30 September 2020	**43,326**	**-**	**(8,705,078)**	**(8,661,752)**

1. General information

The Company is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England & Wales. The address of its registered office is Wigmore House, Wigmore Lane, Luton, Bedfordshire, LU2 9TN. The Company's registered number is 06018823.

The Company's principal activities during the financial year were the provision of services to cruise lines within the TUI AG Group of companies (the "Group") and the Company expects this to continue for the foreseeable future.

2. Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("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 IFRS. Further details can be found in Note 5.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the review of the business section of the Strategic Report on pages 3 to 7.

As at the date of approval of these financial statements, the impact of COVID-19 on the Company's trading continues to be assessed and is subject to rapidly changing external factors, including evolving UK and Overseas Government travel advice, quarantine and testing requirements, which in turn are linked to the extent of the vaccination program in the various countries in which the Company operates. Customer sentiment towards leisure travel continues to be highly impacted by changes to travel restrictions (both positive and negative) but overall customers are booking their leisure travel much closer to their expected travel date than before the crisis.

Due to the measures taken by Governments worldwide to get the COVID-19 outbreak under control and in particular, the UK Government's initial advice against all but essential travel, the touristic industry came to a standstill from the second half of March 2020. During the pandemic operations increased for port agency and crew related services for vessels moored in UK waters.

As a member of the TUI Group of companies, this Company's liquidity position is inextricably linked to the liquidity position of other companies within the TUI Group, due to the nature of cash pooling arrangements that exist across the Group. Consequently, to assess the liquidity position of the Company, the Directors have considered the wider operational, liquidity and funding impacts of the crisis on other companies within the Group who also form part of the pooling arrangements.

In order to preserve liquidity during the crisis period, the Company, together with other companies within the TUI Group have taken the following measures:

- TUI AG received the approval of the German Government for a bridging loan of EUR 1.8 billion from the KfW, a German state-owned bank. The funds are to be used to increase TUI's existing credit line with its banks amounting to EUR 1.75 billion ("Revolving Credit Facility"). One of the conditions of the KfW bridge loan is that TUI waives dividend payments for the duration of the bridge loan.
- TUI AG secured an additional bridging loan of EUR1.05 billion from KfW, which technically is an increase of the existing 1.8bn tranche of the facility
- A Bond with warrants for EUR 150 million was issued to the German Economic Stabilisation Fund (WSF). The bond bears interest at a rate of 9.5 per cent. TUI AG has a right to terminate the bond as soon as the KFW loan has been repaid. The warrants will not be executed by the Government but can be sold in the market.
- TUI AG agreed a financing package of EUR 1.8 billion with Unifirm Limited, a banking consortium, KfW and the Economic Stabilisation Fund (WSF), which included an EUR 509m share issue.
- A significant element of the Group's cost base relates to wages and salaries. Where possible, and subject to local regulations, staffing levels and hours worked have been reduced. Government support has been taken to offset staffing costs that continue to be incurred.

2. Basis of preparation (continued)

Going concern (continued)

- Capital expenditure has been rephased or delayed
- Actions have been taken to defer or reduce payments of fixed costs and unpaid variable costs from the pre-crisis period, including agreements with Government fiscal authorities on certain tax payments
- Launched the Global Realignment Programme aimed at delivering annual savings of more than EUR 300 million by financial year 2023
- In August 2020, the Group received EUR 0.6 billion in respect of the sale of Hapag Lloyd cruises, whose sale was agreed prior to the pandemic. These funds were included in the Groups current liquidity plans.
- In April 2021, TUI AG successfully completed an offering of senior unsecured bonds convertible due in 2028 with an aggregate principal amount of € 400 million. The Bonds have a denomination of 100,000 Euro per Bond and a coupon of 5.00% per annum, payable semi-annually in arrears. The issue was c. 2-times over-subscribed. With the successful offering TUI plans to start the refinancing of loans from the COVID-19 stabilisation packages. Unless previously converted, redeemed or repurchased and cancelled, the convertible bonds will be redeemed at their principal amount on 16 April 2028. Investors also have the possibility to convert the bonds into new and/or existing no-par value ordinary registered shares of TUI. The initial conversion price was set at 5.3631 Euro, representing a conversion premium of 25% above the reference share price of 4.2905 Euro. During July 2021, this has been topped up. The new convertible bonds have a total nominal amount of just under 190 million euros and can be converted into new and/or existing shares in TUI. They were issued with the same conditions (except for the issue price) as the convertible bonds issued in April.
- In July 2021 TUI AG has agreed with the 19 private banks and KfW to extend the maturity of the credit lines totalling €4.7 billion by two years to summer 2024. Based on TUI's current rating, the margin after extension for the RCF tranches will be 4.50%per annum. The financial covenants in respect of the external bank Revolving Credit Facility have also been suspended in respect of September 2021 and 31 March 2022.
- In July 2021, TUI AG successfully completed the sale of its minority stake in a property portfolio to the Riu family for an initial purchase price payment of €541 million, with an additional potential earn-out of around €130 million euros until 2023.

The Group has made a well-founded assessment of the main risks to the Group, taking into account future events that would jeopardise the business model, future results, solvency and liquidity for at least 12 months from the date of approval of these financial statements. A sensitivity analysis has been used to determine the potential impact of the main risks. The scenario used for the going concern assumption assumes that various Group divisions can successively resume their programmes during the course of the calendar year 2021. Business activity was expected to be severely restricted in the first and second quarters, but travel activity did recommence to varying degrees across the market in Summer 2021 without reaching the pre-crisis level of financial year 2019.

In November 2021, TUI AG, agreed to provide financial support to the Company in order that it can continue to meet its liabilities as they fall due. As with any Company placing reliance on other group entities for financial support, the Directors' acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements they have a reasonable expectation that it will.

Despite the existing risks, the TUI Group currently has sufficient funds, and will continue to have sufficient funds in the future, resulting both from borrowing and from operating cash flows, to meet its payment obligations and to continue as a going concern. As at 30 June 2021, the TUI AG Executive Board no longer identifies any material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

With regard to this forecast and other factors, which may impact the Group's and Company's future liquidity position, the Directors have concluded that it is appropriate to prepare the Company's financial statements on a going concern basis.

2. Basis of preparation (continued)

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, except where stated otherwise.

3. Amendments to IFRSs

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 2019 Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standard	Amendment	Impact on Financial Statements
IFRS 16 Leases	IFRS 16 replaces the current IAS 17 and its interpretations. For lessees, there is no longer the requirement to classify into finance and operating leases. Instead all leases are accounted for according to the so-called 'Rights of Use' approach. In the Statement of Financial Position, a lessee is to recognise an asset for the right to use the leased item and a liability for the future lease payments. There are optional exemptions for short-term leases (< 12 months) and so-called small-ticket leases. For lessors, the accounting stays largely unchanged. Lessors will continue to classify leases in accordance with the criteria transferred from IAS 17. In addition, IFRS 16 includes several other new requirements, in particular a new definition of a lease, on sale and leaseback transactions and the accounting for subleases.	The new standard has significant effects on the financial statements of the Company. The effects are explained below
IFRIC 23 Uncertainty over Income Tax Treatments	The interpretation complements the rules of IAS 12 on the accounting for actual and deferred taxes to clarify the accounting for uncertainties over income tax treatments and transactions by taxation authorities or fiscal courts.	Not material
Improvements to IFRS (2015-2017)	The various amendments from the annual improvement project 2015-2017 cycle affect minor changes to IFRS 3, IFRS 11, IAS 12 and IAS 23.	Not material
Amendments to IAS 19 Plan Amendment, Curtailment or Settlement	Where an amendment, curtailment or settlement of a defined benefit plan occurs, the amendments require a company to use updated actuarial assumptions to determine its current service cost and net interest for the period. The effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income (OCI).	Not material

IFRS 16

The changes in lessee accounting for leases resulting from the adoption of IFRS 16 have a significant impact on the presentation of the Company's Statement of Comprehensive Income and Statement of Financial Position.

Regarding the options and practical expedients available to lessees, the Company has decided:

- To present lease liabilities separately in the Statement of Financial Position.
- To use the recognition and measurement exceptions for short-term leases (with terms of 12 months or less) and for leases of low value assets. The lease payments associated with those leases are recognised as an expense in the Statement of Comprehensive Income either on a straight-line basis over the lease term or using another systematic basis.

3. Amendments to IFRSs (continued)

IFRS 16 (continued)
The Company initially applies IFRS 16 as at 1 October 2019 using the modified retrospective approach in accordance with the transition guidance. Using that method, the prior financial year's comparative period is not restated. The effect of the transition is reported directly in equity as at 1 October 2019.

Regarding the new definition of a lease, the option to grandfather existing leases is not used in transitioning to IFRS 16. The new rules are thus applied to all contracts existing as at 1 October 2019 falling within the scope of IFRS 16, regardless of whether the Company contractually operates as the lessee or lessor.

In transitioning to the new standard, the Company applies the following practical expedients for lessees:

- For leases already classified as operating leases under IAS 17, the lease liability is carried at the amount of the present value of the future lease payments, determined using the incremental borrowing rate, as at 1 October 2019. The weighted average incremental borrowing rate was 2.76%. The right-of-use asset is initially measured at the amount of the lease liability and adjusted for the amount of existing lease prepayments and accrued rent.
- For leases with a remaining term of less than one financial year at the date of initial application, the Company does not recognise any right-of-use assets and lease liabilities, in line with exercising the exception for short-term leases with lease terms of twelve months or less.
- Initial direct costs are not included in the initial measurement of the right-of-use asset as at the date of initial adoption.
- Hindsight is used in determining the lease term of contracts containing options to extend or terminate the lease.
- At the date of initial adoption, the right-of-use assets are not tested for impairment. Instead, the right-of-use assets are adjusted by the amount of any provisions for onerous leases existing as at 30 September 2019 recognised in the Statement of Financial Position.

3. Amendments to IFRSs (continued)

IFRS 16 (continued)

In total, the initial application of IFRS 16 results in the following adjustments to the Statement of Financial Position as at 1 October 2019:

	Note	Carrying amount IAS 17 30 September 2019 £	Adoption of IFRS 16 1 October 2019 £	Carrying amount IFRS 16 1 October 2019 £
Non-current assets				
Intangible Assets		3,299,930	-	3,299,930
Property, plant and equipment		104,942	-	104,942
Lease receivable assets	(A)	-	173,469	173,469
Trade and other receivables		11,970		11,970
Deferred tax asset		34,685	-	34,685
		3,451,527	173,469	3,624,996
Current assets				
Trade and other receivables		9,215,959	-	9,215,959
Lease receivable assets	(A)	-	-	-
Cash and cash equivalents		4,584,193	-	4,584,193
		13,800,152	-	13,800,152
Total assets		17,251,679	173,469	17,425,148
Current liabilities				
Trade and other payables		(11,007,727)	-	(11,007,727)
Lease liabilities	(A)	-	(119,025)	(119,025)
		(11,007,727)	(119,025)	(11,126,752)
Non-current liabilities				
Lease liabilities	(A)	-	(54,444)	(54,444)
Interest-bearing loans and borrowings		(9,500,000)	-	(9,500,000)
		(9,500,000)	(54,444)	(9,554,444)
Total liabilities		(20,507,727)	(173,469)	(20,681,196)
Net liabilities		(3,256,048)	-	(3,256,048)
Equity				
Called up share capital		43,326		43,326
Retained earnings		(3,299,374)	-	(3,299,374)
Total equity attributable to owners of the Company		(3,256,048)	-	(3,256,048)

(A) At the date of initial adoption, the Company classified its existing subleases to finance leases and thereby recognised the lease receivables and associated lease liabilities in the Statement of Financial Position.

3. Amendments to IFRSs (continued)

IFRS 16 (continued)
The table below shows a reconciliation of other financial commitments from rental and lease agreements as at 30 September 2019 to the opening balance of the lease liabilities as at 1 October 2019:

Reconciliation of IFRS 16 lease liabilities

	£
Financial obligations from operating leases as at 30 September 2019	**178,536**
Changes due to assessment of renewal or termination options	-
Payments for non-lease components (service charges)	-
Other	-
Total payment obligations from operating leases	**178,536**
Discounting	(5,067)
Present value of new IFRS 16 lease liabilities as at 1 October 2019	**173,469**
Carrying amount of IFRS 16 lease liabilities as at 1 October 2019	**173,469**

In transitioning to IFRS 16, the carrying amounts of the assets and liabilities from finance leases existing as at 30 September 2019 (£nil) are reclassified to right-of-use assets and lease liabilities as at 1 October 2019.

4. 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.

Revenue
Revenue is recognised when the performance obligations are met in accordance with IFRS 15.

Until July 2020, the Company had two classes of business.
MICE
Is a provider of services related to Meetings, Incentives, Conferences & Events ("MICE").
As the Company is acting as an agent rather than a principal, revenue in this case represents the commission earned in respect of these services supplied in the ordinary course of business. Revenue is measured at the fair value of the consideration received or receivable and is stated net of discounts and value added tax. The Company recognises revenue either:

- over time in relation to the duration of the product, if the services relate to a period of time, e.g. meetings, conferences and events which spanned more than one day, or
- at a point in time, on the day of performance of the performance obligation, e.g. meetings, conferences and events which lasted only a single day.

In July 2020, this brand was discontinued and is no longer operating in the UK due to low market share, high operating costs and the effect of COVID-19 on this industry.

4. Summary of significant accounting policies (continued)

Revenue (continued)
Intercruises
Is split into four key business areas:

- turnaround services (transfers),
- shore excursions,
- port operations and
- arranging UK hotel accommodation for the ocean cruise lines customers.

As the Company is acting as a principal rather than an agent, revenue in this case represents the contractual value of the services provided, and these services supplied in the ordinary course of business. Revenue is measured at the fair value of the consideration received or receivable and is stated net of discounts, customer compensation, value added tax. The Company recognises revenue at a point in time, on the day of performance of the performance obligation, due to the nature of the services it provides.

The vast majority of the Company's revenue originates within the United Kingdom, however a small proportion of the sales related to Intercruises, originates in Ireland.

Other income
Other income includes gains arising from the Company's ongoing sub-leasing agreements and grants from the UK Government in relation to the COVID-19 related Employee Retention Scheme.
Government grants are initially recognised when there is reasonable assurance that the Company will comply with the grant's conditions and the grant will be received. Grants are recognised in the Statement of Comprehensive Income on a systematic basis over the period in which the related costs for which the grant is intended to compensate is expensed.

Foreign currency translation
Foreign currency transactions are initially translated into the Company's functional currency using the prevailing rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing on the Statement of Financial Position date. Foreign exchange gains and losses resulting from translation to financial year-end rates are recognised in the Statement of Comprehensive Income.

Foreign exchange gains or losses arising on loans receivable or payable, including lease liabilities, are included in "Finance income" and "Finance expense" in the Statement of Comprehensive Income.

The results and financial position of all businesses that have a functional currency different from the presentational currency are translated into the presentational currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses for each Statement of Comprehensive Income are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of each transaction); and
- all resulting exchange differences are recognised in Other Comprehensive Income.

Marketing and other direct sales costs
Marketing, advertising and other promotional costs, including those related to the production of brochures, are expensed when the benefit of the goods or services is made available to the Company, net of any contributions received from third parties to defray such costs.

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

4. Summary of significant accounting policies (continued)

Leases (continued)
Accounting policy applicable from 1 October 2019

The Company as lessee
Until 30 September 2019, the criteria of IAS 17 were applied to assign a leased asset to its economic owner.

Leased property, plant and equipment for which substantially all the risks and rewards incidental to ownership were transferred to the Company as a lessee (finance leases) were capitalised. The leases were capitalised at the lower of the fair value of the asset and the present value of the minimum lease payments. The asset was depreciated over the shorter of the lease term or the useful life of the asset on the basis of the depreciation method applicable to comparable purchased or produced assets. Every lease payment was broken down into an interest portion and a redemption portion so as to produce a constant periodic rate of interest on the remaining balance of the liability. The interest portion is classified as a finance expense within the Statement of Comprehensive Income.

Where economic ownership of the leased asset was attributed to the lessor in accordance with IAS 17 (operating lease), the lease payments were recognised as an expense in the income statement on a straight-line basis.

Since 1 October 2019, the Company has carried right-of-use assets and lease liabilities for all leases in the Statement of Financial Position. At the inception of an agreement, the Company evaluates whether it is, or contains, a lease.

Apart from traditional lease, tenancy or leasing contracts, service or capacity agreements may also fall within the scope of IFRS 16. In connection with the purchase of mixed tourism services, the rental or purchase of the largest portion of a hotel's room capacity is identified as a lease component if the Company commits to its contract partner to purchase a fixed allotment of more than 90% of the hotel's capacity for a period of more than 12 months, if the agreement does not include an exemption to return committed capacity for self-marketing by the hotelier, and if therefore an irrevocable payment obligation exists. For agreements that contain one or several lease components alongside non-lease components, the Company uses the option not to separate these non-lease components, in particular for riverboats, IT and hotel capacity leases.

At the commencement date, i.e. the date from which the lessee is entitled to exercise the right to use the underlying asset, a lease liability amounting to the present value of the future lease payments is recognised. The lease payments include all fixed and in substance-fixed payments less any future lease incentives to be provided by the lessor. The lease payments also include variable payments linked to an index or an (interest) rate as well as expected payments from residual value guarantees. Lease payments for the exercise of extension, purchase and termination options are included if the exercise of these options is assessed as reasonably certain. As a rule, the lease payments are discounted at the lessor's interest rate implicit in the lease. If that rate is not known, the present value is determined using the incremental borrowing rate. After initial measurement, the carrying amount is increased to reflect interest on the lease liability and reduced to reflect the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The interest expense from the subsequent measurement of the lease liability is presented in the interest result. Variable lease payments not linked to an index nor to an interest rate are recognised through the Statement of Comprehensive Income in the period in which the event or condition that triggers the payment occurs.

Where lease payments have been deferred without an agreement or existing contractual right, any unpaid lease liability is not derecognised, as the lease liability has neither been paid nor extinguished with legal effect. The unpaid lease payments remain a 'current lease liability' until the liability has either been paid or extinguished.

Under IFRS 16, 'rent concessions' will usually meet the definition of a lease modification which will require the lease to be remeasured, unless they were envisaged in the original lease agreement.

4. Summary of significant accounting policies (continued)

Leases (continued)
Accounting policy applicable from 1 October 2019 (continued)

The Company as lessee (continued)
In addition, a right-of-use asset is recognised at the commencement date. Right-of-use assets for the leased items are measured at amortised cost less cumulative depreciation/amortisation and cumulative impairment and adjusted for revaluations of the lease liability. The cost of a right-of-use asset comprise the present value of the future lease payments plus initial direct costs and the lease payments made prior to commencement less any lease incentives received and the estimated costs to be incurred to restore the leased asset to the condition required by the terms and conditions of the lease ("Day one obligations"). Capitalised right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the expected useful life of the right-of-use asset. If the lease transfers ownership of the leased asset to the Company by the end of the lease term, or if the lease payments reflect the future exercise of a purchase option, the right-of-use asset is depreciated over the useful life of the leased asset. After the commencement date of the lease, depreciation is recognised to reflect the pattern of consumption of the benefits the asset brings over its useful life. This is applied consistently from period to period and is recognised in Cost of sales or in Administrative expenses.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in Cost of sales or in Administrative expenses.
If a property contract approaches its end date and neither the lessee nor the lessor has triggered notice, then the lease is deemed to be held over. It is therefore assumed that the lessee can remain in the property for a defined minimum lease term based upon the law in the relevant jurisdiction. After 1 October 2019, leases holding over in England, Wales, Northern Ireland and Ireland., will result in a ROU asset and lease liability calculated on the basis of a six month lease term, beginning 6 months before the lease goes into holdover. This ROU asset and lease liability is remeasured to the six month calculation each month end.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'impairment of non-financial assets' policy.

If a right-of-use asset is subsequently subleased, an assessment has to be made to determine whether the sublease is a finance lease or an operating lease. This assessment is based on the right-of-use asset rather than the asset arising from the head lease. If the assessment determines that the sublease is a finance lease, then the Company recognises a lease receivable at an amount equal to the net investment in the lease and derecognises the underlying leased asset or the right-of-use asset from the head lease. See "The Company as a lessor" section below for further details.

The Company applies the recognition and measurement exemptions for all short-term leases and low-value asset leases. A short-term lease is a lease that has a lease term of 12 months or less and does not contain a purchase option. The lease payments for those leases are recognised as an expense in Cost of sales or in Administrative expenses on a straight-line basis over the lease term or on another systematic basis.

Prior to 1 October 2019 leases were classified as finance leases whenever the terms of the lease transferred substantially all the risks and rewards of ownership to the lessee. All other leases were classified as operating leases.

Finance income
Finance income recognised in the Statement of Comprehensive Income mainly comprise interest income on trading balances with group undertakings and financial gains on financial instruments.

Finance expense
Finance expense recognised in the Statement of Comprehensive Income mainly comprise interest expense on trading balances with group undertakings and financial losses on financial instruments.

4. Summary of significant accounting policies (continued)

Current and deferred tax

The tax expense/credit for the financial year comprises current and deferred tax and is recognised in the Statement of 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. Income tax recoverable or payable relates to current tax. 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 Statement of Financial Position 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.

Current and deferred tax are recognised in Statement of Comprehensive Income, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

Goodwill

Goodwill arises on the acquisition of the trade, assets and liabilities of businesses and represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired.

At the balance sheet date, Goodwill has a carrying value of £nil (2019: £nil).

Customer list

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation is calculated using the straight-line method to allocate the cost of customer lists over their estimated useful lives of up to 3 years. Amortisation expense is disclosed under Administrative Expenses in the Statement of Comprehensive Income.

Property, plant, equipment and depreciation

Property, plant and equipment are stated at historical purchase cost, including any costs attributable to bringing an asset to its working condition for its intended use, less accumulated depreciation and impairment.

Depreciation is charged on a straight-line basis to the residual value over the estimated useful lives of tangible assets which are as follows:

Fixtures, fittings and computer hardware	3 to 5 years

Useful lives are estimated taking into account the rate of technological change and intensity of use of the assets and are reviewed together with the assets residual value, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Amortisation expense is disclosed under Administrative Expenses in the Statement of Comprehensive Income.

4. Summary of significant accounting policies (continued)

Right of use assets and depreciation
The right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurements of the lease liability (i.e. remeasurements or lease modifications).

Depreciation is expensed on a straight-line basis over the shorter of the period of the lease or useful life.

Useful lives are estimated taking into account the rate of technological change and intensity of use of the assets and are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Impairment of non-financial assets
Non-financial assets not subject to amortisation are tested annually for impairment. Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the Statement of Comprehensive Income whenever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows.

Financial assets and financial liabilities
The classification and measurement of financial assets are determined on the basis of the business model used to manage financial assets, the related contractual cash flows and their objective. At initial recognition of financial assets, the classification comprises the categories "Financial assets at amortised cost (AC)", "Financial assets at fair value through Other Comprehensive Income (FVOCI)" and "Financial assets at fair value through profit and loss (FVPL)".

Financial assets are recognised at the value on the date when the Company undertakes to buy/has a legal right to recognise the asset. When recognised for the first time, they are either classified as at amortised cost or at fair value, depending on their objective. Financial assets are classified as financial assets at amortised cost when the objective of the Company's business model is to hold the financial assets to collect contractual cash flows, and when the contractual terms and conditions of the assets exclusively constitute interest and principal payments on the nominal amount outstanding.

For the financial assets held at amortised cost, a loss allowance for expected credit losses is recognised in accordance with IFRS 9. The expected credit loss using the "simplified approach" requires the Company to determine a provision matrix to calculate the expected loss for trade receivables and lease receivables based on historical data and forward-looking information. The expected credit loss using the "general approach" is based on either full lifetime expected credit losses or 12-month expected credit losses. A loss allowance for lifetime expected credit losses is required for a financial instrument if the credit risk of that financial asset has increased since initial recognition. For all other financial instruments, expected credit losses are measured at an amount equal to the 12 month expected credit losses.

Impairments and reversals of impairments are included in "Impairment of financial assets" in the Statement of Comprehensive Income.

All other financial assets not recognised at amortised cost or at fair value through OCI must be measured at fair value through profit or loss. Accordingly, the debt instruments previously allocated to the measurement category "Financial assets available for sale" are measured at fair value through profit or loss under IFRS 9.

4. Summary of significant accounting policies (continued)

Financial assets and financial liabilities (continued)
Financial assets are derecognised as at the date on which the rights for payments from assets expire or are transferred and therefore as at the date on which essentially all risks and rewards of ownership are transferred. The rights to an asset expire when the rights to receive cash flows from the asset have expired. For transfers of financial assets, it is assessed whether they have to be derecognised in accordance with the derecognition requirements of IFRS 9.

Financial liabilities are recognised in the Statement of Financial Position if an obligation exists to transfer cash and cash equivalents of other financial assets to another party. Initial recognition of a liability is expected at its fair value. For loans taken out, the nominal amount is reduced by discounts retained and transaction costs paid. The subsequent measurement of financial liabilities is affected at amortised cost using the effective interest method. The classification of financial liabilities in accordance with IFRS9 did not result in any changes in the measurement categories.

Cash and cash equivalents
Cash comprises cash at bank. The Company does not invest in deposits held on call with banks or other short-term highly liquid investments. Bank overdrafts are shown in current liabilities within the Statement of Financial Position.

Called up share capital
Ordinary shares are classified as equity.

5. 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 24. 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 2 'Share-based payment'	45(b) and 46 to 52	All disclosure requirements.
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. Paragraph 118(e) of IAS 38 'Intangible assets'.
	10(d) and 111	A statement of cash flows and related information.
	16	A statement of compliance with all IFRS.
	134 to 136	Information on the Company's objectives, policies and processes for managing capital.
	40(a)	A third statement of financial position to be presented in certain circumstances, including retrospective restatement on change in accounting policy such as adoption of new standards.
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.
IFRS 16 Leases	Paragraphs 90, 91 and 93	All disclosure requirements.
	89	The requirements of the second sentence.
IFRS 15 Revenue from Contracts with Customers	110	The requirements of the second sentence.
	113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129	All disclosure requirements.

6. Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described in Note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6. Critical accounting estimates and judgements (continued)

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 year are disclosed as follows:

Critical accounting judgements

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

a) Recognition of revenue as a Principal or an Agent

Judgement is required when another party is involved in providing goods or services to a customer to determine if the Company has acted as a principal or an agent, as this dictates how revenue is recorded. If the Company acts as principal, revenue is stated at the contractual value of goods and services provided.

Where the Company acts as an agent between the service provider and the end customer, revenue is recognised either:

- over time in relation to the duration of the product, if the services relate to a period of time, e.g. meetings, conferences and events which spanned more than one day, or
- at a point in time, on the day of performance of the performance obligation, e.g. meetings, conferences and events which lasted only a single day. when earned, typically on balance due date,

and presented on a net basis as the difference between the sales price to the customer and the cost of the services purchased and not the total transaction sales value. Businesses are identified as being agents dependent on a number of criteria, principally the control exercised over the provision of service, inventory risk and customer credit risk.

b) Impairment of other intangible assets

Judgement is required in the assessment of whether or not a triggering event has occurred as Other intangible assets are subject to amortisation and are only reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Details of impairments are disclosed in Note 13.

Critical accounting estimates

There were no key estimates or assumptions concerning the future, and other key sources of uncertainty at the reporting period that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

7. Revenue

	Financial year ended 30 September 2020	Financial year ended 30 September 2019
	£	£
Intercruises	**5,941,515**	24,157,030
Pacific World (MICE)	**135,844**	185,289
	6,077,359	24,342,319

The vast majority of the Company's revenue originates within the United Kingdom, however a small proportion of the sales £2,822 (2019: £54,856) related to Intercruises, originates in Ireland.

8. Finance income

	Financial year ended 30 September 2020	Financial year ended 30 September 2019
	£	£
Interest income on trading balances with Group undertakings	**79,714**	53,738
Other interest income	**6,466**	-
Foreign exchange gains	**2,668**	303
	88,848	54,041

9. Finance expense

	Financial year ended 30 September 2020 £	Financial year ended 30 September 2019 £
Interest expense on trading balances with Group undertakings	**16,990**	53,168
Interest on interest bearing loan with Parent undertaking	**470,337**	181,958
Interest on operating leases under IFRS 16	**2,765**	-
Other interest expense	**937**	-
	491,029	235,126

10. Loss before taxation

	Financial year ended 30 September 2020 £	Financial year ended 30 September 2019 £
Loss before taxation is stated after charging/(crediting):		
Amortisation of intangible assets (Note 13)	**1,649,965**	1,649,965
Impairment of intangible assets (Note 13)	**1,649,965**	162,716
Depreciation on property, plant and equipment (Note 14)	**12,208**	20,256
Loss on disposal of property, plant and equipment (Note 14)	**85,034**	18,886
Depreciation on right-of-use assets (Note 15)	**128,034**	-
Operating lease charges (Note 22)	**25,442**	164,579
Management charges	**403,639**	381,831
Impairment of financial assets – expected credit loss (Note 16)	**832,855**	385,224
Foreign exchange differences reclassified to profit or loss on disposal of foreign branch	-	63,770
Government grant income	**(498,860)**	-
Foreign exchange gains	**(2,668)**	(303)

Government grants of £498,860 (2019: £nil) included in Other operating income, relates to the reimbursement of certain employee related costs in respect of the Government Job Retention scheme. The grants received reduce the total wages and salaries expense recognised in the financial year. There are no unfulfilled conditions or contingencies attached to these grants.

Auditor's remuneration was as follows:

	Financial year ended 30 September 2020 £	Financial year ended 30 September 2019 £
Fees for the audit of the Company	**25,500**	25,500

The disclosures in respect of fees for 'Other services' have not been provided because the consolidated financial statements of the Company's ultimate parent have included the required disclosures on a consolidated basis.

11. Employees and Directors

Employee costs for the Company during the financial year were:

	Financial year ended 30 September 2020 £	Financial year ended 30 September 2019 £
Wages and salaries	**1,009,083**	1,438,677
Indemnities	**65,955**	-
Social security costs	**120,716**	171,751
Other retirement benefit costs	**102,725**	210,895
	1,298,479	1,821,323

The monthly average number of persons (including Directors) employed by the Company during the year was:

	Financial year ended 30 September 2020 Number	Financial year ended 30 September 2019 Number
Management	**6**	6
Selling and administration	**49**	50
	55	56

Directors' remuneration

The Directors received no remuneration for their services as Directors of the Company (2019: £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 (2019: £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.

12. Tax (credit)/expense

The tax (credit) / expense can be summarised as follows:

(i) Analysis of tax (credit)/expense in the year

	Financial year ended 30 September 2020 £	Financial year ended 30 September 2019 £
Current tax:		
Current tax on profits for the year	**(279,015)**	92,241
Adjustment in respect of prior periods	**(66,593)**	91,534
Total current tax	**(345,608)**	183,775
Deferred tax:		
Origination and reversal of temporary differences:		
- Current year	**(18,476)**	24,445
- Adjustments in respect of prior periods	**-**	(31,363)
- Effect of change in tax rate	**(4,081)**	(2,573)
Total deferred tax (Note 17)	**(22,557)**	(9,491)
Total tax (credit)/expense in the Statement of Comprehensive Income	**(368,165)**	174,284

12. Tax (credit)/expense

(ii) Factors affecting the tax (credit)/expense in the year

The tax credit (2019: expense) for the year ended 30 September 2020 is different compared to the amount of tax calculated at the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are shown in the table below:

	Financial year ended 30 September 2020	Financial year ended 30 September 2019
	£	£
Loss before taxation	**(5,773,869)**	(1,573,845)
Tax on loss at standard UK tax rate of 19.0% (2019: 19.0%)	**(1,097,035)**	(299,031)
Effects of:		
- Adjustments in respect of prior periods	**(66,593)**	60,171
- Expenses not deductible for tax purposes	**799,544**	371,719
- Losses derecognised	-	31,882
- Remeasurement of deferred tax – change in UK tax rate	**(4,081)**	(2,573)
- Foreign branch exemption	-	12,116
- Group relief surrendered for nil consideration	-	-
Total tax (credit)/expense in the Statement of Comprehensive Income	**(368,165)**	174,284

(iii) Factors affecting the future tax (credit)/expense

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

At the Statement of Financial Position date, Finance Act 2020 had been substantively enacted confirming that the main UK corporation tax rate would remain at 19% from 1 April 2020. Therefore, at 30 September 2020, deferred tax assets and liabilities have been calculated based on a rate of 19%.

On 3 March 2021 the UK Government announced its intention to increase the UK corporation tax rate to 25% with effect from 1 April 2023. This will impact the value of the UK deferred tax balances, and the tax charged on UK profits generated in 2023 and subsequently. We have yet to determine the impact of these proposed changes

13. Intangible assets

	Goodwill	Customer List	Total
	£	£	£
Cost:			
At 1 October 2019	229,716	5,076,815	5,306,531
Disposals	(229,716)	-	(229,716)
At 30 September 2020	**-**	**5,076,815**	**5,076,815**
Accumulated amortisation and impairment:			
At 1 October 2019	229,716	1,776,885	2,006,601
Charge for the year	-	1,649,965	1,649,965
Impairment	-	1,649,965	1,649,965
Disposals	(229,716)	-	(229,716)
At 30 September 2020	**-**	**5,076,815**	**5,076,815**
Net book value (NBV):			
At 30 September 2019	-	3,299,930	3,299,930
At 30 September 2020	-	-	-

Customer lists
As part of the business combination of Destination Management (Intercruises) in 2018, the Company recognised a customer list for the fair value of the agreements and relationship with those customers. It has a finite useful life and is subsequently carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost over its estimated useful life of 3 years. In the financial year ended 30 September 2020 the Customer List was fully impaired due to the impact of Covid-19 in the business activity and sales of the entity. The NBV as of 30 September 2020 is £nil (2019: £3,299,930).

Goodwill
The Directors performed an impairment review of the carrying value of goodwill related to the Company's acquisition of the Meetings, Incentives, Conferences and Events ("MICE"). As a result of this impairment review, in 2019 goodwill was impaired by a value of £162,716 and in June 2020 the Company discontinued all MICE related activities. During the fiscal year ended 30 September 2020 goodwill was disposed with no effect in profit and loss.

The non-amortisation of goodwill, as required by IAS 38, conflicts with paragraph 22 of Schedule 1 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (the "Regulations"), which requires acquired goodwill to be reduced by provisions for depreciation calculated to write-off the amount systematically over a period chosen by the Directors, not exceeding its useful economic life. As such, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view, from the requirement of paragraph 22 of Schedule 1 to the Regulations.

14. Property, plant and equipment

	Fixtures, fittings and computer hardware	Total
	£	£
Cost:		
At 1 October 2019	173,746	173,746
Additions	-	-
Disposals	(141,986)	(141,986)
At 30 September 2020	**31,760**	**31,760**
Accumulated depreciation:		
At 1 October 2019	68,804	68,804
Charge for the year	12,208	12,208
Disposals	(56,952)	(56,952)
At 30 September 2020	**24,060**	**24,060**
Net book value:		
At 30 September 2019	104,942	104,942
At 30 September 2020	**7,700**	**7,700**

During the fiscal year ended 30 September 2020 the company disposed of the material assets in one of its three leased offices due to the finalization of the lease. The disposal resulted in a loss amounting to £85,034, this loss is presented under Administrative Expenses in the Statement of Comprehensive Income for the financial year ended 30 September 2020.

15. Right-of-use assets

In financial year ended 30 September 2020, the Company introduced the amended standard on lease accounting (IFRS 16). As a lessee, the Company recognises right-of-use assets and lease liabilities according to IFRS 16. For more detailed information on this new application and the use of practical expedients, please refer to Note 3.
Due to the introduction of IFRS 16, right-of-use assets totalling £173,469 were recognised as at 1 October 2019. Leases recognised in the Statement of Financial Position classified as 'right-of-use assets' relate to property leases of three office buildings.

	Right of Use Office Buildings	Total
	£	£
Cost:		
At 1 October 2019	-	-
IFRS 16 Transition	173,469	173,469
Additions	-	-
At 30 September 2020	**173,469**	**173,469**
Accumulated depreciation:		
At 1 October 2019	-	-
Charge for the year	128,034	128,034
At 30 September 2020	**128,034**	**128,034**
Net book value:		
At 30 September 2019	-	-
At 30 September 2020	**45,435**	**45,435**

Information on the associated lease liabilities and details regarding the maturities of the lease payments not yet made at the Statement of Financial Position date are provided in Note 22, 'Leases'.

16. Trade and other receivables

	As at 30 September 2020		As at 30 September 2019	
	Non-current	**Current**	Non-current	Current
	£	**£**	£	£
Trade receivables	-	**149,369**	-	5,024,425
Amount due from Parent undertakings	-	**2,660,272**	-	1,423,307
Amounts due from other Group undertakings	-	**667,713**	-	1,754,151
Taxation	-	**70,578**	-	-
Prepayments and accrued income	**11,970**	**112,774**	11,970	1,014,076
	11,970	**3,660,706**	11,970	9,215,959

An expected credit loss of £1,218,079 was recognised as at 30 September 2020 (2019: £385,224).

Amounts due from Group undertakings.
Total amounts due from Group undertakings amount to £3,327,985 (2019: £3,177,458).
Amounts due from Group undertakings are unsecured and repayable on demand. Unsettled trading balances with Group undertakings bear interest at a rate equivalent to EURIBOR 12m plus 2.5% per annum.

FRS101 exemption has been taken from disclosure of transactions with wholly owned subsidiaries of the TUI AG Group.

17. Deferred tax assets

	As at 30 September 2020	As at 30 September 2019
	£	£
Depreciation in excess of capital allowances	**57,242**	34,685
	57,242	34,685

Movements in deferred tax assets/(liabilities) during the current year are analysed as follows:

Deferred tax assets/(liabilities)	**Depreciation in excess of capital allowances**	**Short term timing temporary differences**	**Losses and other deductions**	**Total**
	£	**£**	**£**	**£**
At 1 October 2018	(3,332)	-	28,526	25,194
Credited/(expensed) to the Statement of Comprehensive Income (Note 12)	38,017	-	(28,526)	9,491
At 30 September 2019	34,685	-	-	34,685
Credited/(expensed) to the Statement of Comprehensive Income (Note 12)	22,557	-	-	22,557
At 30 September 2020	**57,242**	-	-	**57,242**

Depreciation in excess of capital allowances principally relate to timing differences in respect of property, plant and equipment.

There are no other un-provided deferred tax liabilities nor unrecognised deferred taxation assets at 30 September 2020 or 30 September 2019.

18. Interest-bearing loans and borrowings

	As at 30 September 2020		As at 30 September 2019	
	Non-current	**Current**	Non-current	Current
	£	**£**	£	£
Loans due to Parent undertakings	**9,500,000**	**-**	9,500,000	-
	9,500,000	**-**	9,500,000	-

Amount due to parent undertakings consists of an unsecured loan from TUI AG of £9,500,000 (2019: £9,500,000) which bears interest at 4.91% per annum and is repayable on 3 September 2024.

19. Trade and other payables

	As at 30 September 2020	As at 30 September 2019
	£	£
Trade payables	**1,144,659**	5,105,781
Amounts due to Parent undertakings	**191,957**	189,348
Amounts due to other Group undertakings	**1,430,504**	4,274,513
Taxation and social security	**44,846**	123,374
Other payables	**81,948**	245,204
Accruals and deferred income	**605,303**	1,069,507
	3,499,217	11,007,727

Amounts due to Group undertakings

Total amounts due to Group undertakings amount to £1,622,461 (2019: £4,463,861) at year end and are analysed as follows:

- £456,096 (2019: £3,390,843) is unsecured, repayable on demand and bears interest at a rate equivalent to EURIBOR 12m plus 2.5% per annum.
- £1,166,365 (2019: £1,073,018) is unsecured, repayable on demand and bears no interest

FRS101 exemption has been taken from disclosure of transactions with wholly owned subsidiaries of the TUI AG Group.

20. Called up share capital

	As at 30 September 2020	As at 30 September 2019
	£	£
Authorised		
43,326 (2019: 43,326) ordinary shares of £1.00 each	**43,326**	43,326
Issued and fully paid		
43,326 (2019: 43,326) ordinary shares of £1.00 each	**43,326**	43,326

21. 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.
Foreign currency translation reserve	Foreign exchange differences were generated through the translation of its branch, Meeting & Events UK France, which was established in France and whose functional currency was Euros. On 1 April 2018, the Company sold the business of the French branch and on 23 September 2019 the remaining part of the French branch still held within the Company was liquidated. Therefore, this reserve was reclassified through the Statement of total Comprehensive Income in 2019.

22. Leases

In financial year ended 30 September 2020, the Company introduced the amended standard on lease accounting (IFRS 16). As a lessee, the Company recognises lease receivable assets and lease liabilities according to IFRS 16. For more detailed information on this new application and the use of practical expedients, please refer to Note 3.

The Company as Lessee

As a lessee, the Company leases properties. The rent is fixed over the lease term. The terms and conditions of the lease agreements are individually negotiated. Some of the property leases might contain extension options and price adjustment clauses. No residual value guarantees were provided for the leases.

Lease liabilities

Maturity analysis

	As at 30 September 2020 £
Not later than one year	49,380
Later than one year and not later than five years	5,064
Later than five years	-
	54,444

	As at 30 September 2020 £
Analysed as:	
Non-current	5,064
Current	49,380
	54,444

22. Leases (continued)

The Company as Lessee (continued)

Operating lease commitments
(Disclosure required by IAS 17)

The Company's total future minimum lease payments under non-cancellable operating lease contracts were payable as follows:

	Financial year ended 30 September 2019
	£
Not later than one year	121,790
Later than one year and not later than five years	56,746
Later than five years	-
	178,536

Operating lease commitments disclosed above are in respect of land and buildings for three (2019: three) office buildings

23. Post balance sheet events

As described in Note 2, the worldwide pandemic resulting from the spread of the COVID-19 virus has caused a significant interruption to the Company's business, beginning in March 2020. In line with the UK Government advice against all but essential foreign travel, the Company took steps to suspend its activities.

At the date of approval of these financial statements, international travel is still restricted to varying degrees across the world.

In December 2020, TUI AG has agreed a further financing package of EUR 1.8 billion with Unifirm Limited, a banking consortium, KfW and the Economic Stabilisation Fund (WSF), which included an EUR 509m share issue. Additionally, TUI AG waived £4,750,000 of a loan it held with the Company, with an effective date of 1 February 2021. This waiver has been accounted as Other shareholder contributions in Equity.

In April 2021, TUI AG successfully completed an offering of senior unsecured bonds convertible due in 2028 with an aggregate principal amount of € 400 million. In July 2021 this offering has been completed. The new convertible bonds have a total nominal amount of just under 190 million euros and can be converted into new and/or existing shares in TUI. They were issued with the same conditions (except for the issue price) as the convertible bonds issued in April.

As at 30 June 2021, the TUI AG Executive Board no longer identifies any material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

24. 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 Meetings & Events International Limited, a company registered 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 via 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.