

Sport Abroad (UK) Limited
Directors' report and financial statements
for the year ended 30 September 2011
Company number 6489680

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Sport Abroad (UK) Limited
Report of the Directors for the year ended 30 September 2011

The Directors submit their report and the audited financial statements of Sport Abroad (UK) Limited ("the Company") for the year ended 30 September 2011

Principal activity

The Company acts as a tour operator organising travel packages to sporting events

Results and dividends

The loss on ordinary activities before taxation for the year ended 30 September 2011 amounted to £36,135 (2010 £471,591) There were no dividends paid during the year (2010 Nil) The Directors do not recommend the payment of a final dividend

Business review

The Company is exempt, by virtue of its size it being a small company, from the requirement to include an enhanced business review

Funding and liquidity

The Directors have considered the funding and liquidity position of the Company and of its intermediate parent company TUI Travel PLC Following this review, the Directors consider it appropriate to continue to prepare the financial statements on the going concern basis Please also refer to note 1

Directors

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

R C Bainbridge (appointed 7 March 2012)

C Lion-Cachet

D Higgins

D Mee

J Wimbledon

Policy and practice on payment of suppliers

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

Independent auditors

During the year KPMG Audit Plc resigned as auditors and PricewaterhouseCoopers LLP were appointed by the Directors in their place Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office

Directors' insurance

The intermediate parent company, TUI Travel PLC, maintains Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company for all wrongful acts These policies meet the 2006 Companies Act definition of a qualifying third party indemnity provision

Statement as to disclosure of information to auditors

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

Statement of Directors' responsibilities

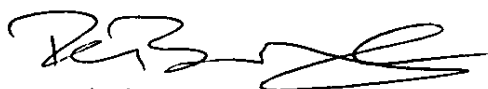
The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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

By Order of the Board



R C Bainbridge
Director

Company Number 6489680

Dated 30 March 2012

Sport Abroad (UK) Limited

Report of the independent auditors to the members of Sport Abroad (UK) Limited

We have audited the financial statements of Sport Abroad (UK) Limited for the year ended 30 September 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 September 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

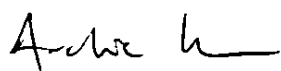
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Archie Wilson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

Dated 30 March 2012

Sport Abroad (UK) Limited
Profit and loss account for the year ended 30 September 2011

	Note	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Turnover		1,586,506	736,049
Cost of sales		<u>(1,379,489)</u>	<u>(581,956)</u>
Gross profit		207,017	154,093
Administrative expenses		<u>(243,779)</u>	<u>(625,843)</u>
Operating loss		(36,762)	(471,750)
Interest receivable and similar income	5	<u>627</u>	<u>159</u>
Loss on ordinary activities before taxation	2	(36,135)	(471,591)
Tax on loss on ordinary activities	6	<u>(89,445)</u>	<u>131,657</u>
Loss for the financial year	12	<u>(125,580)</u>	<u>(339,934)</u>

The results stated above are all derived from continuing operations

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

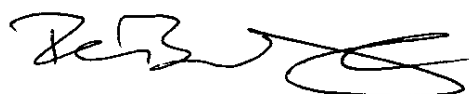
The Company has no recognised gains or losses other than those included in the profit and loss account. Accordingly, no statement of total recognised gains and losses is presented

Sport Abroad (UK) Limited
Balance sheet at 30 September 2011

	Note	30 September 2011 £	30 September 2010 £
Fixed assets			
Tangible assets	7	<u>585</u>	<u>848</u>
		585	848
Current assets			
Debtors	8	1,345,141	1,080,931
Cash at bank and in hand		<u>277,476</u>	<u>420,587</u>
		1,622,617	1,501,518
Creditors: amounts falling due within one year	9	<u>(2,198,910)</u>	<u>(1,952,494)</u>
Net current liabilities		<u>(576,293)</u>	<u>(450,976)</u>
Total assets less current liabilities		(575,708)	(450,128)
Net liabilities		<u>(575,708)</u>	<u>(450,128)</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	<u>(575,709)</u>	<u>(450,129)</u>
Total shareholders' deficit	13	<u>(575,708)</u>	<u>(450,128)</u>

The notes on pages 6 to 12 form part of these financial statements

The financial statements were approved by the Board on 30 March 2012 and signed on their behalf by



R C Bainbridge
Director

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Cash Flow

Under Financial Reporting Standard 1 (Revised 1996) "Cashflow Statements" the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

Going concern

At 30 September 2011, the Company had recorded net current liabilities and net liabilities. The financial statements have been prepared on the going concern basis on the basis that the intermediate parent company, TUI Travel PLC, has confirmed its intention to provide such financial support to the Company as may be required in order that it can continue to trade and meet its liabilities as they fall due for the next 12 months

Tangible fixed assets

Tangible fixed assets are stated at historic cost, less accumulated depreciation and provision for impairment. Depreciation is provided to write off the cost, less the estimated residual value of tangible fixed assets over their estimated useful lives as follows

Office furniture and equipment	25% straight-line
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Pensions

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

Taxation

UK Corporation Tax is provided on amounts expected to be paid (or recovered) using the tax rates and laws enacted, or substantively enacted, at the balance sheet date

Except as otherwise required by accounting standards, full provision without discounting is made for all deferred taxation timing differences which have arisen but not reversed at the balance sheet date. Timing differences arise when items of income and expenditure are included in tax computations in periods which are different from their inclusion in the financial statements. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be used

The UK Government announced a phased reduction in the main UK corporation tax rate from 28% to 24%, with the first 1% reduction taking effect from 1 April 2011 (and substantively enacted on 20 July 2010). On 23 March 2011, the UK Government announced an additional 1% reduction in the main UK corporation tax rate to 26% taking effect from 1 April 2011. On 21 March 2012, the UK Government announced a further 1% reduction in the main UK corporation tax rate to 24% taking effect from 1 April 2012.

A further two reductions of 1% will follow annually, reducing the corporation tax rate to 22% from 1 April 2014.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the rates that have been enacted or substantively enacted at the balance sheet date. Therefore, at 30 September 2011, deferred tax assets and liabilities have been calculated based on a rate of 25% (which was substantively enacted on 5 July 2011), where the timing difference is expected to reverse after 1 April 2012.

No account will be taken of the further reductions in the main UK corporation tax rate but it is estimated that this will not have a material effect on the Company.

1. Accounting policies (continued)

Foreign currencies

Transactions in overseas currencies are translated at the exchange rate ruling at the date of the transaction or, where forward cover has been arranged, at the contractual rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date or at a contractual rate if applicable and any exchange differences arising are taken to the profit and loss account in the season to which the contract relates.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

Rentals paid under operating leases are charged to profit and loss on a straight-line basis over the lease term or on another systematic basis if this is more representative of the time pattern of the benefit from the use of the leased asset. Where the sale price is above fair value, gains arising on sale and operating leaseback transactions are deferred and amortised over the lease term. Where such a transaction is undertaken at fair value, any profit or loss is recognised immediately.

Turnover

Turnover represents the aggregate amount of revenue invoiced in the ordinary course of business. Turnover is stated net of discounts and Value Added Tax. Revenue is recognised on the date of departure and the related costs of holidays and flights are charged to the profit and loss account on the same basis. The Company has one class of business, namely acting as a tour operator. All turnover originates within the UK.

Marketing and other direct sales costs

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

2. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Depreciation on fixed assets - owned	263	192
Exchange losses	31	2,733
Bad debt written off	-	354,000

The 2010 and 2011 auditors' remuneration was borne by another group company. It has not been possible to separately identify the audit fee related to this entity.

Sport Abroad (UK) Limited
Notes to the financial statements for the year ended 30 September 2011

3. Employee numbers and remuneration

The average monthly number of employees, including Directors, during the year, analysed by category, was as follows

	Year ended 30 September 2011 Number	Year ended 30 September 2010 Number
Selling and administration	<u>4</u>	<u>4</u>

The aggregate payroll costs for those employees were as follows

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Wages and salaries	113,002	125,659
Social security costs	<u>12,139</u>	<u>13,267</u>
	<u>125,141</u>	<u>138,926</u>

4. Directors' remuneration

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Directors' remuneration	<u>53,222</u>	<u>48,900</u>

Certain Directors received total remuneration of £53,222 for their services to the Company (2010 £48,900)

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

5. Interest receivable and similar income

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Bank interest receivable	<u>627</u>	<u>159</u>

6. Tax on loss on ordinary activities

	Year ended 30 September 2011	Year ended 30 September 2010
	£	£
(i) Analysis of tax charge / (credit) in the year		
Current tax		
Amount receivable from fellow subsidiaries for group relief	(9,589)	(131,608)
Adjustment in respect of prior periods	99,091	-
Total current tax	89,502	(131,608)
Deferred tax		
Origination and reversal of timing differences		
- current year	(71)	(53)
- effect of reduction in UK Corporation tax rate	14	4
Total deferred tax (Note 10)	(57)	(49)
Tax charge / (credit) on loss on ordinary activities	89,445	(131,657)

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

The current tax charge (2010 credit) for the year differs from (2010 lower than) the standard rate of corporation tax in the UK of 27% (2010 28%). The differences are explained below

	Year ended 30 September 2011	Year ended 30 September 2010
	£	£
Loss on ordinary activities before tax	(36,135)	(471,591)
Loss on ordinary activities at the standard rate of UK corporation tax of 27% (2010 28%)	(9,755)	(132,045)
Effect of		
- Amounts not deductible for tax purposes	95	384
- Depreciation for year in excess of capital allowances	71	53
- Adjustments in respect of prior period	99,091	-
Current tax charge / (credit) for the year	89,502	(131,608)

(iii) Factors affecting the future tax credit

The rate of taxation is expected to follow the standard rate of UK corporation tax in future periods after taking into account expenditure not deductible for taxation and any non-taxable income. The statutory rate of UK Corporation tax is reduced to 24% with effect from 1 April 2012.

7. Tangible fixed assets

	Office furniture and equipment £
Cost	
At 1 October 2010	1,296
Additions	-
At 30 September 2011	1,296
Depreciation	
At 1 October 2010	448
Charge for the year	263
At 30 September 2011	711
Net book value	
At 30 September 2011	585
At 30 September 2010	848

8. Debtors

	30 September 2011 £	30 September 2010 £
Trade debtors	617,156	388,396
VAT recoverable	3,364	3,283
Other debtors	390	-
Group relief receivable	84,643	174,145
Deferred tax asset (Note 10)	178	121
Amounts owed by Group companies	41,608	-
Prepayments and accrued income	597,802	514,986
	1,345,141	1,080,931

Amounts owed by Group undertakings are unsecured, interest free and have no fixed date of repayment

9. Creditors amounts falling due within one year

	30 September 2011 £	30 September 2010 £
Payments received on account	1,185,197	1,157,638
Trade creditors	55,900	3,329
Amounts owed to Group companies	925,056	788,096
Accruals and deferred income	32,757	3,431
	2,198,910	1,952,494

Amounts owed to Group undertakings are unsecured, interest free and have no fixed date of repayment

10. Deferred tax assets

The movement in deferred taxation during the year was

	£
At 1 October 2010	121
Credited in the year (Note 6)	57
At 30 September 2011	178

The elements of deferred tax are as follows

	30 September 2011 £	30 September 2010 £
Fixed asset timing differences	178	121

There are no other unrecognised deferred tax assets or unprovided deferred tax liabilities at either 30 September 2011 or 30 September 2010

11. Share capital

	30 September 2011 £	30 September 2010 £
Issued and fully paid		
1 ordinary share of £1 each	1	1

12 Profit and loss account

	£
1 October 2010	(450,129)
Loss for the financial year	(125,580)
At 30 September 2011	(575,709)

13. Total shareholders' deficit

	30 September 2011 £	30 September 2010 £
Opening shareholders' deficit	(450,128)	(110,194)
Loss for the financial year	(125,580)	(339,934)
Closing shareholders' deficit	(575,708)	(450,128)

14 Related party transactions

The Company has taken advantage of the exemption contained in Financial Reporting Standard No 8 "Related Party Disclosure" as it is a wholly-owned subsidiary of TUI Travel PLC. Therefore the Company has not disclosed transactions or balances with wholly-owned entities that form part of the Group headed by TUI Travel PLC.

15. Ultimate parent company

The Company is a subsidiary undertaking of TUI AG – a company registered in Berlin and Hanover (Federal Republic of Germany), which is the ultimate parent company and controlling party. The intermediate holding company is TUI Travel PLC. The immediate parent company is Sportsworld Group Limited.

The largest group in which the results of the Company are consolidated is that headed by TUI AG. The smallest group in which the results of the Company are consolidated is that headed by TUI Travel PLC, incorporated in the United Kingdom. No other group financial statements include the results of the Company.

Copies of the TUI Travel PLC financial statements are available from TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex RH10 9QL or from the website www.tuitravelplc.com. Copies of the TUI AG financial statements are available from Investor Relations, TUI AG, Karl-Wiechert-Allee 4, D-30625, Hanover or from the website www.tui-group.com.