The Imaginative Traveller Limited
Directors' report and financial statements
for the year ended 30 September 2011
Company number 2584114

The Imaginative Traveller Limited
Report of the Directors for the year ended 30 September 2011

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

Principal activity
The Company had one class of business, namely acting as a tour operator On 1 October 2009, as part of a business restructure of the adventure businesses within the Specialist & Activity Sector, the North American, Australian and New Zealand businesses of the Company were transferred to a fellow subsidiary in the TUI Travel PLC group of companies ("the Group") The Company continued to operate packaged tours until November 2009 From 1 October 2009 until 23 September 2011, the Company commenced acting as an agent for three companies within the Group selling on a commission basis to the UK, European, African and South American marketplace and operated tailor-made tours

Results and dividends
The loss on ordinary activities before taxation for the year ended 30 September 2011 amounted to £74,803 (2010 £1,240,651) There were no dividends paid during the year (2010 £nil) The Directors do not recommend the payment of a final dividend On 31 March 2011 the Company issued 750,000 ordinary shares of £1 each for cash to its immediate parent company First Choice Holidays Limited On the same date the Company was acquired by Trek Investco Limited a fellow subsidiary within the Group

Business review
On 23 September 2011 the Company sold 'The Imaginative Traveller' brand to Dragoman Overseas Travel Limited and following this the Company ceased to trade and thereafter did not trade See Note 3 for more information This was in response to the economic climate and increased competition within the small group adventure holiday market

Principal risks and uncertainties
During the year, the Directors managed the risks and uncertainties of the Company in co-ordination with its fellow subsidiaries in the Group The Directors review the Company's risks and uncertainties in the context of the Group The Directors believe that this review process is appropriate given that the Company's operations are managed in co-ordination with those of the TUI Travel Specialist & Activity Sector businesses The principal risks and uncertainties which are common to the Group and the Company are

- **Economic downturn** The current economic environment remains challenging and customer demand remains under pressure The Directors consider the Company has, within the context of the Group, appropriate planning processes in place and continue to monitor the trading outlook Appropriate mitigating action is taken where necessary to maximise profitability, such as maintaining flexible pricing, managing capacity commitments and focusing on cost control

- **Climate change risk** As a tour operator we use aircraft to take people on holidays around the world and we recognise that operating in a carbon-intensive industry does have an affect on the environment The Group has a carbon management strategy to reduce the Group's greenhouse gas emissions from all divisions within the Group and is preparing for regulatory proposals on climate change

- **Health and safety.** Accidents or injuries to our employees or customers whilst in our care as a result of failure in our due diligence process or supplier negligence could have a significant effect on the Company, its brand and ultimately, customer demand The Company takes a risk-based approach to Health & Safety due diligence including destination-based quality assessments and employing industry-leading expertise to set policy and provide guidance

- **Commercial relationships.** The Company has well established and close relationships with its customers and suppliers and spreads its risk by not placing over-reliance on any one supplier in any particular area However, if a relationship were lost or damaged with a major supplier this could have a detrimental effect on the business The management team meets regularly with suppliers to maintain good working relationships and to understand the supplier's financial position

Principal risks and uncertainties (continued)

- **Information technology** The Company is heavily reliant upon information technology Investment is being made to ensure that there are advanced and efficient systems in place but there is a risk if there were a major failure – particularly if it were to affect selling systems Procedures are in place to minimise the time a selling system is unavailable in the event of such a failure

- **Financial Risk** General cost base increases together with unhedged foreign exchange rates and fuel prices have the potential to materially reduce the Company's margin The treasury function is managed centrally in the Group and supports the business activities and financial risks faced by the Company This support includes, inter alia, 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

As the Directors manage the Company in co-ordination with the management of the TUI Travel Specialist & Activity Sector, they take the view that analysis using key performance indicators ("KPIs") for the Company alone is not necessary or appropriate for an understanding of the development, performance and positioning of its business

The development, performance and positioning of the TUI Travel Specialist & Activity Sector, which includes the Company, is discussed in the Business Performance section within TUI Travel PLC's annual report, which does not form part of this report

Funding and liquidity
The Directors have considered the funding and liquidity position of the Company and of its immediate parent company Trek Investco Limited The parent company has confirmed its intention to provide such financial support to the Company as may be required in order that it can continue to meet its liabilities as they fall due for a period of at least 12 months from the date of the approval of these financial statements or until the point at which it is wound up 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

M A Beard (appointed 24 October 2011)
P J Burrell (appointed 8 August 2012)

Other Directors who served during the year were

D Mee (resigned 17 April 2012)
R J Myhill (resigned 29 October 2010)
M J Shapter (appointed 24 October 2011 and resigned 31 July 2012)
C R Stump (resigned 31 December 2010)
J Wimbleton (resigned 17 April 2012)

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

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, maintained 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

P J Burrell
Director

Company Number 2584114

Dated 20 September 2012

Report of the independent auditors to the members of The Imaginative Traveller Limited

We have audited the financial statements of The Imaginative Traveller 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 3, 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

Craig Douglas (Senior Statutory Auditor) Dated 21 September 2012
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditor
Norwich

The Imaginative Traveller Limited
Profit and loss account for the year ended 30 September 2011

	Note	Year ended 30 September 2011	Year ended 30 September 2010
		£	£
Turnover	2	**2,389,822**	3,539,206
Cost of sales		**(2,002,075)**	(2,438,237)
Gross profit		**387,747**	1,100,969
Administrative expenses (including exceptional costs of £352,744 (2010 £550,786))	3	**(466,860)**	(2,313,798)
Operating loss		**(79,113)**	(1,212,829)
Amounts released / (written off) investments	10	**1**	(29,982)
Interest receivable and similar income	6	**4,376**	2,692
Interest payable and similar charges	7	**(67)**	(532)
Loss on ordinary activities before taxation	3	**(74,803)**	(1,240,651)
Tax on loss on ordinary activities	8	**(77,919)**	333,809
Loss for the financial year	17	**(152,722)**	(906,842)

The results stated above are all derived from discontinued 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

The Imaginative Traveller Limited
Balance sheet at 30 September 2011

	Note	30 September 2011 £	30 September 2010 £
Fixed assets			
Tangible assets	9	-	134,045
Investments	10	-	-
		-	134,045
Current assets			
Debtors	11	**254,674**	523,268
Cash at bank and in hand		**439,769**	1,677,471
		694,443	2,200,739
Creditors: amounts falling due within one year	12	**(461,852)**	(2,699,408)
Net current assets /(liabilities)		**232,591**	(498,669)
Total assets less current liabilities		**232,591**	(364,624)
Provisions for liabilities and charges	13	**(257,994)**	(278,608)
Net liabilities		**(25,403)**	(643,232)
Capital and reserves			
Called up share capital	16	**800,000**	50,000
Share-based payment reserve	17	**20,551**	-
Profit and loss account	17	**(845,954)**	(693,232)
Equity shareholders' deficit	18	**(25,403)**	(643,232)

The notes on pages 7 to 17 form part of these financial statements

The financial statements were approved by the Board on 20 September 2012 and signed on their behalf by

P J Burrell
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

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

Going concern

The financial statements have been prepared on the going concern basis on the basis as the parent company, Trek Investco Limited, has confirmed its intention to provide such financial support to the Company as may be required in order that it can continue to meet its liabilities as they fall due, for a period of at least 12 months from the approval of these financial statements

Group financial statements

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements because it is a wholly-owned subsidiary of a UK company These financial statements present information about the Company as an individual undertaking and not about its group

Investments

Fixed asset investments are stated at cost less provision for diminution in value Dividends from investments are recognised when received or receivable by the Company

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

Motor vehicles	20% of cost per annum
Other vehicles	33% of cost per annum
Office furniture and equipment	10% straight-line
Leasehold improvements	10% straight-line
Computer equipment	33% straight-line

Pensions

The Company participates in the Group Defined Contribution Pension Scheme for certain Directors 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

The Company also contributes to a Money Purchase Scheme for certain employees Contributions are charged to the profit and loss account as they fall due

1. Accounting policies (continued)

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

Leases
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 receivable in the ordinary course of business Turnover is stated net of discounts 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

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

Client money received in advance
Client money received at the balance sheet date relating to holidays commencing and flights departing after the year end is included in creditors

Interest income and expenses
Interest income comprises interest on funds invested in a bank Interest income is recognised as it accrues in the profit and loss account, using the effective interest rate method

Interest expenses comprise interest on borrowings All borrowing costs are recognised in the profit and loss account using the effective interest rate method

1. Accounting policies (continued)

Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the outflow of economic benefits can be reliably established If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability

2. Segmental analysis

The Company had one class of business, namely acting as a tour operator On 1 October 2009, as part of a business restructure of the adventure businesses within the Specialist & Activity Sector, the North American, Australian and New Zealand businesses of the Company were transferred to a fellow subsidiary in the Group The Company continued to operate packaged tours until November 2009 From 1 October 2009 until 23 September 2011, the Company commenced acting as an agent for three companies within the Group selling on a commission basis to the UK, European, African and South American marketplace and operated tailor-made tours

Turnover analysed by geographical location (source market)

	Year ended 30 September 2011	Year ended 30 September 2010
	£	£
United Kingdom	**2,207,282**	2,508,452
Rest of Europe outside UK	**162,012**	338,363
Rest of World	**20,528**	692,391
	2,389,822	3,539,206

3. 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	42,404	67,721
Loss on disposal of fixed assets - owned	1,157	-
Exchange (gains)/ losses	(9,248)	127,244
Operating leases - land and buildings	30,000	30,000
Operating leases - other	5,645	3,802
Administrative expenses - exceptional		
Restructuring (Note 4 and 13)		
Loss on disposal of fixed assets - owned	26,337	-
Impairment of fixed assets-owned	63,322	-
Operating leases- land and buildings	62,500	-
Operating leases - other	2,158	-
Forward forex contract cancellation	-	52,527
Discounts	1,020	126,252
Staff costs	100,380	368,287
Premises costs	43,322	-
Professional fees	29,470	-
Other expenses	24,235	313
Volcanic ash	-	3,407
Total exceptional expenses	352,744	550,786

The Directors are of the opinion that following the cessation of trading activities certain expenses incurred as detailed above were exceptional in nature and have been separately identified and disclosed These costs relate to charges incurred or to be incurred as a result of the decision to cease operations

In 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

4. 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	Year ended 30 September 2010
	Number	Number
Selling	14	20
Operations	-	7
Management & administration	9	14
	23	41

4. Employee numbers and remuneration (continued)

The aggregate payroll costs for those employees were as follows

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Wages and salaries	402,316	879,976
Social security costs	33,607	90,102
Other pension costs	6,385	9,912
	442,308	979,990

Included in the amounts above are redundancy costs of £100,380 (2010 £349,584) during the year These are accounted for within restructuring costs (Note 3)

5. Directors' remuneration

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Directors' remuneration	-	263,825
Pension contributions	-	5,395
	-	269,220

The aggregate remuneration of the highest paid director was £ nil (2010 £174,555) and no Company pension contributions were made to a money purchase scheme on his behalf

6. Interest receivable and similar income

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Bank interest receivable	4,376	2,692

7 Interest payable and similar charges

	Year ended 30 September 2011 £	Year ended 30 September 2010 £
Bank interest	67	532

8. 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	-	(318,161)
Total current tax	-	(318,161)
Deferred tax		
Origination and reversal of timing differences		
- current year	77,919	(18,534)
- effect of reduction in UK Corporation tax rate	-	2,886
Total deferred tax (Note 15)	77,919	(15,648)
Tax charge / (credit) on loss on ordinary activities	77,919	(333,809)

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

The current tax charge (2010 credit) for the year is different (2010 lower) to 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	(74,803)	(1,240,651)
Loss on ordinary activities at the standard rate of UK corporation tax of 27% (2010 28%)	(20,200)	(347,382)
Effect of		
- Amounts not deductible for tax purposes	8,412	10,687
- Income not taxable	(57,233)	-
- Depreciation for year in excess of capital allowances	(77,919)	18,534
- Utilisation of tax losses	146,940	-
Current tax credit for the year	-	(318,161)

(iii) Factors affecting the future tax charge / (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

9. Tangible fixed assets

	Leasehold Improvements	Motor & other vehicles	Computer equipment	Office furniture and fittings	Total
	£	£	£	£	£
Cost					
At 1 October 2010	103,779	4,999	438,075	58,991	605,844
Additions	-	-	544	-	544
Transfers	-	-	(689)	689	-
Disposals	-	(4,999)	(437,930)	(59,680)	(502,609)
At 30 September 2011	103,779	-	-	-	103,779
Depreciation					
At 1 October 2010	30,749	1,974	402,993	36,083	471,799
Transfers	-	-	(494)	494	-
Charge for year	9,708	500	27,867	4,329	42,404
Impairment	63,322	-	-	-	63,322
Disposals	-	(2,474)	(430,366)	(40,906)	(473,746)
At 30 September 2011	103,779	-	-	-	103,779
Net book value					
At 30 September 2011	-	-	-	-	-
At 30 September 2010	73,030	3,025	35,082	22,908	134,045

10. Investments

	Investments in subsidiary undertakings
	£
Cost:	
As at 1 October 2010	**29,982**
Disposals	**(29,982)**
As at 30 September 2011	-
Impairment.	
As at 1 October 2010	29,982
Released in the year	(1)
Disposals	(29,981)
As at 30 September 2011	-
Net book value.	
As at 30 September 2011	-
As at 1 October 2010	-

On 31 March 2011 the Company sold The Imaginative Traveller PTY Limited for £1

11. Debtors	**30 September 2011 £**	30 September 2010 £
Trade debtors	**155,377**	121,571
Amounts owed by Group undertakings	**58,135**	-
Amounts owed by fellow subsidiaries	-	8,513
Other debtors including taxation	**41,162**	39,402
Deferred tax asset (Note 15)	-	77,919
Prepaid cost of tours not yet departed	-	226,442
Prepayments and accrued income	-	49,421
	254,674	523,268

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

12. Creditors: amounts falling due within one year

	30 September 2011 £	30 September 2010 £
Trade creditors	**129,386**	210,513
Amounts owed to Group companies	**266,760**	879,188
Group relief payable to Group companies	-	211,972
Customer deposits received in advance	-	1,211,463
Other creditors including taxation and social security	**2,192**	17,582
Accruals and deferred income	**63,514**	168,690
	461,852	2,699,408

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

13. Provisions for liabilities and charges	**Restructuring £**
At 1 October 2010	278,608
Charged to the profit and loss account	267,063
Utilised during the year	(283,698)
Released during the year	(3,979)
At 30 September 2011	**257,994**

The restructuring provision in 2011 relates to lease termination payments, redundancy costs and other costs relating to closure of the business and retention of the building until the lease break Refer to Notes 3 and 4 for more information It is expected to be utilised in the forthcoming year The restructuring provision in 2010 related to business reorganisation and redundancy costs associated with the reduction of passenger volumes

14 Lease commitments

Annual commitments under non-cancellable operating leases are as follows

	30 September 2011		30 September 2010	
	Other Equipment	Land and buildings	Other equipment	Land and buildings
	£	£	£	£
Operating leases expiring				
Within one year	-	-	1,308	-
In the second to fifth years inclusive	-	-	2,058	-
Over five years	-	-	-	30,000
	-	-	3,366	30,000

On 30 September 2011, a provision for operating lease termination was established (Notes 3 and 13)

15. Deferred tax asset

The movement in deferred taxation during the year was

	£
At 1 October 2010	77,919
Charged in the year (Note 8)	(77,919)
At 30 September 2011	-

The elements of deferred tax are as follows

	30 September 2011	30 September 2010
	£	£
Fixed asset timing differences	-	77,919
	-	77,919

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

16. Share capital

	30 September 2011	30 September 2010
	£	£
Issued and fully paid		
800,000 ordinary shares of £1 each	**800,000**	50,000

On 31 March 2011 the Company issued 750,000 ordinary shares of £1 each for cash to its immediate parent company First Choice Holidays Limited On the same date the Company was acquired by Trek Investco Limited a fellow subsidiary within the Group

17 Reserves

	Share- based payment reserve £	Profit & loss account £
At 1 October 2010	-	(693,232)
Loss for the financial year	-	(152,722)
Share- based payment	20,551	-
At 30 September 2011	**20,551**	**(845,954)**

18. Equity shareholders' funds / (deficit)

	30 September 2011 £	30 September 2010 £
Opening shareholders' funds	(643,232)	263,610
Issue of share capital (Note 16)	750,000	-
Share- based payment (Note 3)	20,551	-
Loss for the financial year	(152,722)	(906,842)
Closing shareholders' deficit	**(25,403)**	(643,232)

The cumulative share based payment charge for the year ended 30 September 2011 of £20,551 has been recognised within operating profit and the related credit has been recognised in equity In previous accounting periods the charge was considered by the directors to be immaterial to the financial statements

19. Related party transactions

The Company has taken advantage of the exemption contained in Financial Reporting Standard Number 8 "Related Party Transactions" as it is a wholly-owned subsidiary of PEAK Adventure Travel Group Limited Therefore the Company has not disclosed transactions or balances with wholly-owned entities that form part of the group headed by PEAK Adventure Travel Group Limited In the normal course of business the Company undertook transactions with entities that are not wholly owned by PEAK Adventure Travel Group Limited These transactions primarily related to the recharging of expenses within the TUI Travel PLC Group

Details of transactions with related parties and balances outstanding at the balance sheet date are set out in the following tables

	Revenue		Expenses	
	Year ended 30 September 2011 £	Year ended 30 September 2010 £	**Year ended 30 September 2011 £**	Year ended 30 September 2010 £
Related party				
Subsidiaries within the TUI Travel PLC Group of companies	-	-	**622,308**	-
Total	-	-	**622,308**	-

	Receivables outstanding		Payables outstanding	
	Year ended 30 September 2011 £	Year ended 30 September 2010 £	**Year ended 30 September 2011 £**	Year ended 30 September 2010 £
Related party				
Subsidiaries within the TUI Travel PLC Group of companies	**8,828**	-	**84,358**	-
Total	**8,828**	-	**84,358**	-

20. 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 Trek Investco 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 PEAK Adventure Travel Group Limited, incorporated in Australia The results of the Company are also consolidated in the group 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 tuitraveplc 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