TUI Travel Overseas Holdings Limited
Annual Report and financial statements
for the year ended 30 September 2019
Company number 04998708

Contents

Directors	D J Burling A K Jarvis T Lindner T G Pietzka
Registered Office	Wigmore House Wigmore Lane Luton Bedfordshire LU2 9TN
Independent Auditor	Deloitte LLP Statutory auditor 1 New Street Square London EC4A 3HQ
Bankers	Citibank N.A Canada Square Canary Wharf London E14 5LB
Registered number	04998708

The Directors present their Strategic report on the audited financial statements of TUI Travel Overseas Holdings Limited (the "Company") for the year ended 30 September 2019.

Principal activity
The Company's principal activity during the year continued to be that of an intermediate holding company within the TUI AG group of companies (the "Group").

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

	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
Loss before taxation	**(744)**	(20,311)
Net current assets	**16,609**	17,885
Net assets	**151,957**	103,016

As the Company does not employ personnel or provide tour operating services itself, analysis of the Company's performance using KPIs relating to environmental and employee matters are not considered relevant.

Review of the business
The Company's direct and indirect trading subsidiaries operate across all sectors of the Group and mainly comprise tour operator and destination services businesses, and their intermediate holding companies, who are particularly dependent upon the TUI UK & Ireland group of companies (the "UK & I Business" including the following principal trading entities: TUI UK Limited; TUI Airways Limited; TUI UK Retail Limited; TUI Ireland Limited and TUI UK Transport Limited). A full list of all subsidiaries and joint ventures is provided in Notes 11, 12 and 13 of these financial statements.

Since the Company is an intermediate parent company, the Company's business performance and key performance indicators are driven by both the underlying operating performance of its subsidiaries and the capital structure of the Company. In the years ended 30 September 2019 and 30 September 2018, no dividends were received from its subsidiaries. Amounts written off investments and associates for the year ended 30 September 2019 totalled £1,005,225 (2018: £19,320,386) following reviews of the carrying value of all its investments, further details of which are included in Notes 11, 12 and 13.

The Company's loss before taxation for the year ended 30 September 2019 was £744,388 (2018: loss £20,310,504). During the year the Company did not pay an interim dividend (2018: £nil) and the Directors are unable to recommend the payment of a final dividend (2018: £nil).

During the year ended 30 September 2019, the Company increased its investments into subsidiaries, joint ventures and associates by £51,222,225.

The investment additions were partly funded via the issuance of 50,217,000 ordinary £1.00 shares to the Company's parent company TUI Travel Limited, for total consideration of £50,217,000.

Details of the Company's investments, including additions, disposals and impairment charges are provided in Notes 11, 12 and 13.

The worldwide pandemic resulting from the spread of the COVID-19 virus has caused a significant interruption to the Company's investment businesses, beginning in March 2020. In line with the UK and Irish Government advice against all but essential foreign travel, the UK & I Business took steps to suspend its touristic travel programme beginning in mid-March 2020. Customers who were already overseas around this time experienced disruption to their holidays as a result of various containment strategies put in place by overseas authorities, including some holidays which returned earlier than planned. The UK & I Business undertook a significant repatriation effort to return customers back to the UK, operating 63 flights over a three-week period to return 12,521 customers.

Review of the business (continued)

At the date of approval of these financial statements, all holidays have been cancelled by the UK & I Business through to the 10 July 2020. Other selected TUI, First Choice and Marella Cruises holidays have also been cancelled for travel dates beyond this date. The UK & I Business continues to review its planned holiday programme for the remainder of summer 2020 in the light of latest developments and will respond to any changes in travel advice from either the UK or Irish Governments or overseas authorities when new information becomes available.

Customers are due refunds for holidays curtailed or cancelled as a result of the pandemic. Customers whose TUI, First Choice or Marella package holidays have been cancelled have been offered ATOL protected refund credit notes to the full value of any payments made towards these holidays, together with a separate rebooking incentive worth up to 20% of their refund credit. Cash refunds have been processed for any customers who were either promised a cash refund before receiving an ATOL protected refund credit note or who prefer not to take a refund credit note. Customers who purchased ancillary products in addition to their package holidays are receiving refunds in the form of either vouchers or cash. To date, the UK & I Business has refunded £443 million cash to customers.

The UK & I Business has taken a number of steps to safeguard existing bookings for departure dates beyond the current cancellation period, including offering customers the option to amend their holiday for free to a future departure date and to extend the deadline for collecting final balances, to give customers more flexibility.

Alongside the cancellation of the holiday programme, the UK & I Business has taken a number of swift and decisive cost reduction measures, including furloughing approximately 80% of staff in response to reduced activity, temporarily reducing the hours and pay of staff who were required to continue to work, temporarily closing the network of TUI Stores and a range of other measures which reduce the fixed cost base of the business at a time when the holiday programme is suspended. The UK & I Business has also been working closely with its key suppliers to agree fixed cost reduction initiatives alongside agreements to defer or spread amounts due to be paid.

The UK & I Business has benefitted 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 to delay the payment of certain business taxes. In addition, TUI AG has secured EUR 1.8 billion additional funding from KfW (a German state-owned bank). This funding is available for use by all companies within the TUI group.

At this time, advice from the UK and Irish Governments remains against all but essential travel for the foreseeable future, although several overseas destinations have signaled their intention to restart inbound arrivals before the end of the summer season and efforts are continuing to establish air bridge arrangements with specific tourist destinations. TUI continues to work with the relevant authorities and is actively monitoring developments to ensure that the holiday programme can be restarted as soon as it is safe and practicable to do so. To that end, TUI has published a 10-point plan containing a set of measures and standards which will enable it to reopen its hotels once it is safe to do so. The measures will enable guests to enjoy their holidays in the knowledge that the highest hygiene standards in relation to Covid-19 have been put in place.

Current trading patterns indicate there remains strong demand for package holidays in winter 2020 and summer 2021, with bookings for each of these seasons ahead of the same time last year. Therefore, the fundamentals of the UK & I Business model remain sound and give comfort that demand is there once operations are able to resume.

Whilst at this stage it is too early to know the full impact of the pandemic on the financial year ending 30 September 2020, the result and financial position of the Company's investment businesses is likely to be significantly impacted by the temporary suspension of operations and the consequent refund of customer deposits.

Funding, liquidity and going concern
At 30 September 2019, the Company had net assets of £151,957,000 (2018: £103,016,000) and net current assets of £16,609,000 (2018: £17,885,000).

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's investment businesses to continue their activities once travel restrictions are lifted. However, given the ongoing suspension of operations and uncertain timing of any restart, the Directors recognise that there exists a material uncertainty which may cast significant doubt about the application of the going concern assumption in the financial statements.

Covid-19 is considered an indicator of impairment, given the adverse effect on the operations of the Company's subsidiaries, associates and joint ventures. For the year-ending 30 September 2020, an impairment review will be required on all investments and could lead to material impairments.

The Company will continue to act as an intermediate holding company, making both acquisitions and disposals in the future years. There is no intention to change this function in future years.

Post balance sheet events
Details of post balance sheet events are included in Note 18 of these financial statements.

Principal risks and uncertainties
The worldwide pandemic resulting from the spread of the COVID-19 virus has caused a significant interruption to the Company's investment businesses, 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 investment businesses control, the UK & I Business 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's investment businesses 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 holiday programme restarts it is also not certain how quickly operations will return to pre-crisis levels.

Brexit negotiations will continue in 2019/20. 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 investment businesses customer offering will ensure the Group continue to adapt in the ever changing business environment.

The principal risks and uncertainties facing the Company are:

- **Profitability of the Company's subsidiaries and dividends received.** Dividends received from the Company's subsidiaries are variable and the timing and amount of each dividend is dependent upon the long-term success and profitability of each subsidiary. Since the majority of the Company's profits are generated by dividends received from its subsidiaries, the Company's profitability from one year to another can therefore vary significantly.
- **Recoverability of the carrying value of investments.** The Company provides capital to its subsidiary undertakings when necessary in order to promote their long-term development and success. The recoverability of each investment will depend upon this long-term success and the future cash flows that are expected to be generated by each subsidiary. To the extent that the future cash flows do not support the carrying value of the investment, an impairment is required to be recognised in the Company's statement of total comprehensive income.
- **Capital structure and funding.** The Company has access to funding in the form of either capital from its immediate parent company or from long-term interest-bearing loans from a fellow Group subsidiary or bank overdraft facilities.

Principal risks and uncertainties (continued)

- **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 impact the profitability of the Company's investments.

Throughout the financial year, the directors of the ultimate parent undertaking, TUI AG, managed the Group's risks, which include those of the Company and its subsidiaries. Further information on these risks, together with how these are mitigated, can be found in the TUI AG Annual report and accounts 2018/19. Details of where these financial statements can be obtained are Note 19 in these financial statements.

Approved and authorised by the Board of Directors

A K Jarvis
Director

Company Number 04998708 Dated 25 June 2020

The Directors present their Directors' report on and the audited financial statements of TUI Travel Overseas Holdings Limited (the "Company") for the year ended 30 September 2019.

Directors

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

D J Burling
A K Jarvis
T Lindner
T G Pietzka

Independent auditors

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

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 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. This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Business review

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 and future developments are included within the Strategic Report. Details of post balance sheet events can be found in Note 18.

The Directors are responsible for 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.

Approved and authorised by the Board of Directors

A K Jarvis
Director

Company Number 04998708 Dated 25 June 2020

Directors' responsibilities statement

The Directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of TUI Travel Overseas Holdings limited (the 'company'):
- give a true and fair view of the state of the company's affairs as at 30 September 2019 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"
- 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;
- the related notes 1 to 19.

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 Financial Reporting Council's (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.

Material uncertainty related to going concern
We draw attention to note 2 in the financial statements, which indicates that as a result of the adverse impacts of COVID-19 on both TUI Travel Overseas Holdings Limited directly and the wider travel, hospitality and leisure industry, there is uncertainty in relation to forecasting the nature and extent of travel restrictions for both the UK and the destinations the group flies to, when operations can restart and the length of time it will take to achieve a full recovery, uncertainty in relation to the ability of the group to secure additional funding which may be required in certain scenarios and uncertainty over the ability of the group to obtain a waiver for any forecast potential breach of banking covenants. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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 directors' report and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and strategic 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 directors' report and strategic 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.

Charles Morelli

Charles Morelli (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Date: 25 June 2020

	Note	**Year ended 30 September 2019 £'000**	Year ended 30 September 2018 £'000
Administrative income/ (expenses)	6	**111**	(15,987)
Operating profit/(loss)		**111**	(15,987)
Amounts written off investments	6	**(1,005)**	(19,321)
Reversal of Investment impairments	6	**-**	8,370
Profit on disposal of investments	6	**-**	6,710
Loss before interest and taxation		**(894)**	(20,228)
Finance income	8	**150**	121
Finance expense	9	**-**	(204)
Loss before taxation	6	**(744)**	(20,311)
Tax (expense)/credit	10	**(532)**	526
Loss for the financial year attributable to owners of the parent		**(1,276)**	(19,785)
Total comprehensive expense for the year attributable to owners of the parent		**(1,276)**	(19,785)

The notes on pages 14 to 27 form part of these financial statements.

	Note	**30 September 2019 £'000**	30 September 2018 £'000
Non-current assets			
Investments in subsidiaries	11	**119,154**	68,937
Investments in joint ventures	12	**12,440**	12,440
Investments in associates	13	**3,754**	3,754
		135,348	85,131
Current assets			
Trade and other receivables	14	**2,406**	-
Income tax – group relief recoverable		**-**	526
Cash and cash equivalents		**14,261**	17,396
		16,667	17,922
Total assets		**152,015**	103,053
Current liabilities			
Trade and other payables	15	**(30)**	(37)
Income tax – group relief payable		**(28)**	-
		(58)	(37)
Total liabilities		**(58)**	(37)
Net assets		**151,957**	103,016
Equity			
Called up share capital	16	**245,960**	195,743
Retained losses		**(94,003)**	(92,727)
Total equity attributable to owners of the parent		**151,957**	103,016

The notes on pages 14 to 27 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors and signed on its behalf by:

A K Jarvis
Director

Date: 25 June 2020

	Note	Called up share capital £'000	Retained losses £'000	Total equity £'000
At 1 October 2017		165,943	(72,942)	93,001
Total comprehensive expense for the year		-	(19,785)	(19,785)
Issue of share capital		29,800	-	29,800
At 30 September 2018		195,743	(92,727)	103,016
Total comprehensive expense for the year		-	(1,276)	(1,276)
Issue of share capital	16	50,217	-	50,217
At 30 September 2019		**245,960**	**(94,003)**	**151,957**

The notes on pages 14 to 27 form part of these financial statements.

1. General information

The Company is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of its registered office is Wigmore House, Wigmore Lane, Luton, Bedfordshire, LU2 9TN. The Company's registered number is 04998708.

The principal activity of the Company continues to be that of an intermediate holding company within the TUI AG group of companies (the "Group").

2. Basis of preparation

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. These financial statements were prepared in accordance with "Financial Reporting Standard 101 Reduced Disclosure Framework". These financial statements have been prepared under the historical cost convention.

FRS 101

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined by Financial Reporting Standard 100 'Application of financial reporting requirements' ("FRS 100") which addresses the financial requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRSs").

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic report on pages 3 to 6.

As at the date of approval of these financial statements, the impact of COVID-19 on the Company's investment businesses trading continues to be assessed and is subject to rapidly changing external factors, including evolving Government responses to controlling the spread of the virus and ongoing changes in customer sentiment towards future leisure travel.

Due to the measures taken by Governments worldwide to get the COVID-19 outbreak under control and in particular, the UK Government's advice against all but essential travel, the touristic industry came to a standstill from the second half of March 2020. For TUI, this has resulted in the repatriation of customers who were on holiday at the time and the full cancellation of the planned holiday programme until mid-July 2020. The operation of flights and holidays beyond the middle of July continues to be reviewed. The curtailment of the 2020 programme has resulted in a sharp drop in turnover and whilst there has been a corresponding reduction in variable costs, the Company's investment businesses continue to have to fund their fixed cost base, although where possible, management actions have been taken to mitigate the timing and extent of amounts to be paid. As a result of the cancellation of the programme, customers are due refunds, which have been offered either in the form of an ATOL protected refund credit note or in cash. As at the date of approval of these accounts the UK & I Business has refunded £443 million in cash to customers.

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 1.75 billion euros ("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.

2. Basis of preparation (continued)

Going concern (continued)

- A significant element of the Groups 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.
- 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
- Invoked force majeure in relation to the guaranteed capacity within certain hotel accommodation contracts in relation to summer 2020.
- Announced a review of the future operations of the TUI Group with a view to reducing the Group's cost base by 30%, which could impact up to 8,000 roles worldwide.

The Directors of the UK & I Business have prepared a trading cashflow forecast which covers a period of 15 months from the date of approval of these financial statements, taking into account the mitigating actions that have already been agreed. Whilst there will not be a uniform return to operations across all the TUI group companies, the forecast assumes a 'base case' return to operations beginning in the mid-summer of 2020 as Governmental restrictions on travel become more relaxed. Operations are then assumed to gradually return to pre-crisis levels during the course of 2021. With regard to this forecast and other factors which may impact the Company's future liquidity position, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis, however given that the COVID-19 situation continues to evolve, there exists a material uncertainty related to events or conditions that may cast significant doubt about the Company's ability to continue as a going concern.

The events or conditions are as follows:

- The Company's cash reserves in their bank accounts of £11.8 million as at the date of approval of these financial statements. This cash forms part of the TUI Group cash pool and analysis undertaken by the Group indicates that following the full drawdown on the Group's Revolving Credit Facility and the receipt of KfW German state funding there exists an overall Groupwide positive cash reserve until the autumn of 2020 depending on the propensity of customers to seek a cash refund for cancelled holidays. However, the Group forecasts further indicate that the Group will require additional funding to continue its operations within the period of the going concern assessment. Alternative sources of funding to bridge this gap are being actively pursued, including options to procure additional support as at the beginning of the crisis. At this stage no firm agreements have been concluded and consequently there remains a material uncertainty over both the source and the quantum of any additional funding.

  The Group's compliance with existing financial covenants in respect of the external bank Revolving Credit Facility have been temporarily waived and will only recommence on 30 September 2021. Depending on how quickly the Group is able to return to operations, there is a risk that these covenant requirements will be breached when tested for the first time at this date.

  The Group has a contractual commitment to take delivery of a number of new aircraft deliveries from Boeing in FY21. The Group typically requests offers from a number of finance providers in a competitive process and then agrees financing before delivery. This process is currently ongoing but management has every confidence that financing deals for these aircraft deliveries will be concluded in the necessary time frame, and that the financing market remains open to the Group. Nevertheless, there remains uncertainty as that financing has not yet been contractually agreed.

2. Basis of preparation (continued)

Going concern (continued)

- The UK& I Business is currently not operating a holiday programme, in line with UK and Irish Government travel advice. As at the current date, both the UK and Irish Governments continue to advise against all but essential travel and therefore a material uncertainty exists in that there is currently no firm date as to when operations can restart. Once operations restart, it is also not certain how quickly operations will return to pre-crisis levels. However, the European Commission has stated its willingness to find ways to restart travel operations and a number of European destinations have now indicated that they plan to reopen tourist centres after June 2020. Other TUI AG companies based in continental Europe have already restarted operations, or are planning to restart in the near future, where local Government agencies permit. This restart to operations across the Group will provide a positive cash inflow from the point that operations commence. For the UK &I businesses, current trading patterns indicate there remains strong demand for package holidays in winter 2020 and summer 2021, with bookings ahead of this time last year for both seasons. Therefore, the fundamentals of the company's business model outside of the crisis period remain sound and give comfort that demand will be there once operations are able to resume.

- As a result of the pandemic, some 542,000 holidays have been cancelled through to the 10 July (including some specific programmes beyond this date) with associated revenue of £1.6bn. Forecasts assume that approximately 50% of customers will accept a refund credit note instead of a cash refund, however should a higher proportion of customers request a cash refund, this will impact the Company's investment businesses liquidity.

- Ongoing social distancing measures and recent UK Government announcements about quarantines for returning travellers are likely to have a significant impact on the format of the package holiday in the near term, therefore once foreign travel restarts it is unlikely volumes could achieve the pre-crisis levels for a period of time. Whilst demand is likely to be strong, the Directors estimate that the capacity to deliver package holidays will take time to return to pre-crisis levels.

- The Group is expecting a cash inflow of EUR 0.6 billion in late June/early July in respect of the sale proceeds of Hapag Lloyd cruises. This sale was agreed prior to the pandemic. Since this receipt is incorporated into the Group's current liquidity plans, the forecast will be at risk if there is a delay in the timing of this receipt.

The Directors have already taken a number of measures as described above to manage the UK & I Business' liquidity position. In the light of these material uncertainties and in the case where further Group funding was not forthcoming, the Directors have a range of further measures which are within their control, to protect the company's liquidity position even further, including:

- Delay of cash refunds and further encouragement to customers to take a refund credit note instead
- Additional changes to working arrangements to reduce staff costs further
- Sale of assets, including cruise ships,
- Alternative options in relation to aircraft financing

Further, the Directors have considered alternative trading scenarios which consider a longer period before the return to operations and / or a slower recovery profile than in the base case. Consistent with the base case, this scenario is not expected to give rise to a breach of the covenants in the debt facilities as further liquidity could be sought through cash injections from TUI AG, the Company's ultimate parent company. 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 no reason to believe that it will not do so.

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 thousand pound, unless stated otherwise.

3. Summary of significant accounting policies

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

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

It is considered that none of the amendments to IFRSs issued by the International Accounting Standards Boards ("IASB") in the current year are applicable to the Company.

Investments

Investments are recognised at cost less accumulated impairment losses.

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 total 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 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. This applies to all financial assets that had also been carried at amortised cost under IAS39.

For the financial assets held at amortised cost, a loss allowance for expected credit losses is recognised in accordance with IFRS 9. Loss allowances for financial assets are 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 asset" 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.

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.

3. Summary of significant accounting policies (continued)

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. In the balance sheet, bank overdrafts are shown in current liabilities.

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

Dividends
Dividend income is recognised when the right to receive payment is established. For interim dividends from UK subsidiaries, this is the period in which the dividends are received. For final dividends from UK companies or from overseas subsidiaries where the deduction of the dividend is legally obliging on that entity, the dividend is recognised at the date of the declaration.

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which payment of the dividend becomes a legal obligation of the Company. For final dividends, this will be when they are approved by the Company. For interim dividends, this will be when they have been paid.

Finance income and finance expense
Finance income recognised in the statement of total comprehensive income mainly comprises interest receivable on loans due from Group direct and indirect subsidiaries. Finance expense recognised in the statement of total comprehensive income mainly comprises interest expense on loans due to Group direct and indirect subsidiaries and joint ventures, interest expense on bank overdrafts and foreign exchange losses.

Current tax
The tax expense for the year comprises current tax and is recognised in the statement of total comprehensive income. Current tax is the expected tax payable (or recoverable) for the current financial year using the average tax rate for the year. To the extent available, the amount is first recovered from, or surrendered to, other Group companies as group relief.

Called up share capital
Ordinary shares are classified as equity.

4. Reduced disclosures permitted by FRS 101

The Company meets the definition of a qualifying entity of TUI AG, as defined by FRS 100, as the results of this Company are fully consolidated into the Group financial statements of TUI AG. Details for obtaining the Group financial statements of TUI AG can be found in Note 19. Where applicable and required by FRS 101, equivalent disclosures have been provided in the Group's consolidated financial statements in accordance with the Application Guidance to FRS 100. As such, the Company has taken advantage of the following disclosure exemptions as set out in paragraph 8 of FRS 101:

IFRS	Relevant paragraphs of IFRS	Disclosure exemptions taken
IFRS 7 'Financial instruments'	All paragraphs	All disclosure requirements.
IAS 1 'Presentation of financial statements'	38	Paragraph 79(a)(iv) of IAS 1.
	38 A to D	Certain additional comparative information.
	10(d) and 111	A statement of cash flows and related information.
	16	A statement of compliance with all IFRS.
	134 to 136	Information on the Company's objectives, policies and processes for managing capital.
IAS 7 'Statement of cash flows'	All paragraphs	IAS 7 disclosures in full.
IAS 8 'Accounting policies, changes in accounting estimates and errors'	30 and 31	New standards and interpretations that have been issued but which are not yet effective.
IAS 24 'Related party transactions'	17 and the requirements to disclose transactions between two group subsidiaries.	Detailed related party transaction information including key management compensation and transactions with other wholly owned subsidiaries of the Group.

5. Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are material to the carrying value of assets, liabilities and total comprehensive income for the year are disclosed as follows:

Investments in subsidiary undertakings

Judgement is required in the assessment of the carrying amount of the investments in the Company's direct undertakings. Estimation of the recoverable amount of investments requires the Company to assess future cash flows projected to be generated by the subsidiary, associate and joint venture, which in turn is dependent upon a variety of factors including prevailing economic conditions and consumer demand for that entity's products.

6. Loss before taxation

	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
Loss before taxation is stated after charging/(crediting):		
Amounts written off investments in subsidiary undertakings (Note 11)	**1,005**	19,321
Reversal of investment impairments (Note 12)	-	4,616
Reversal of investment impairments (Note 13)	-	3,754
Profit on disposal of investments in subsidiaries (Note 11)	-	6,710
Amounts waived due from Group undertakings	-	13,300
(Reversal of impairment) of amounts due from Group undertakings	**(112)**	-
Foreign exchange (gains)/ losses on financial items	**(61)**	4
Management charges	-	2,686

During the prior year, a loan of £13,300,302 due from Inter Hotel SARL, and indirect subsidiary of the Company was assigned to the Company from TUI France SAS, another Group company. The loan was subsequently waived and charged to the statement of comprehensive income in 2018.

Auditors' remuneration
In 2019 and 2018, the auditor's remuneration was borne and paid by TUI UK Limited, and not recharged out.

7. Employees' and Directors' remuneration

The Company had no employees and therefore incurred no related employee costs in the current or preceding financial year.

The Directors received no remuneration for their services as Directors of the Company (2018: £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 (2018: £nil). It is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries.

8. Finance income

	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
Interest from Group undertakings	**1**	-
Foreign exchange gain	**61**	-
Bank interest income	**88**	121
Total finance income	**150**	121

9. Finance expense

	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
Interest expense on loans from Group undertakings	-	200
Foreign exchange loss	-	4
Total finance expense	-	204

10. Tax expense/(credit)

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

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

	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
Current tax:		
- Amounts payable to/(receivable from) fellow subsidiaries for group relief	28	(526)
- Adjustment in respect of prior periods	504	-
Total current tax	532	(526)
Total tax expense/(credit) in the statement of comprehensive income	532	(526)

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

The tax expense (2018: credit) for the year ended 30 September 2019 is different to (2018: lower than) the standard rate of corporation tax in the UK of 19.0% (2018: 19.0%). The differences are shown in the table below:

	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
Loss before taxation	(744)	(20,311)
Loss multiplied by the effective standard rate of UK corporation tax of 19.0% (2018: 19.0%)	(141)	(3,859)
Effects of:		
- Expenses not deductible for tax purposes	191	4,608
- Income not taxable	(22)	(1,275)
- Adjustment in respect of prior periods	504	-
Total tax expense/(credit) in the statement of comprehensive income	532	(526)

(iii) Factors affecting the future tax expense

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

At the Statement of Financial Position date, Finance Act 2016 had been substantively enacted confirming that the main UK corporation tax rate would reduce to 17% from 1 April 2020. Therefore, at 30 September 2019, deferred tax assets and liabilities have been calculated based on rates of 19.0% and 17.0% where the temporary differences are expected to reverse before and after 1 April 2020 respectively. On 11 March 2020 the Chancellor announced that in April 2020 the UK government will legislate to retain the current 19% rate. This change was substantively enacted on 17 March 2020, after the Statement of Financial Position date, and therefore is not included in these financial statements.

There are no unrecognised deferred tax assets nor unprovided deferred tax liabilities at either 30 September 2019 or 30 September 2018.

11. Investments in subsidiaries

	Investments in subsidiary undertakings £'000
Cost:	
At 1 October 2018	233,868
Additions	51,222
Disposals	-
At 30 September 2019	**285,090**
Impairment:	
At 1 October 2018	164,931
Charged during the year	1,005
Disposals	-
At 30 September 2019	**165,936**
Net book value:	
At 30 September 2019	**119,154**
At 30 September 2018	68,937

Additions:

Additions in investments comprise the following transactions which occurred during the year ended 30 September 2019:

Investment	Date of addition	Shares acquired (number)	Par value of share	Total consideration £'000
TT Hotels Italia Srl	17 July 2019	0	€1.00	1,005
TT Hotels Turkey Otel Hizmetleri Turizm ve Ticaret Anonim Sirketi	24 May 2019	0	TRL 1.00	50,217
				51,222

Amounts impaired during the year:

Following a review of the recoverable value of the Company's investments, the following impairments have been charged to the total statement of comprehensive income in the year:

Subsidiary	Impairment charge £'000
TT Hotels Italia Srl	1,005
	1,005

11. Investments in subsidiaries (continued)

List of investments in subsidiaries at 30 September 2019:

Name of undertaking	Country of incorporation	Registered address	Share class	% held directly by the Company	Total % held by Group companies
Hannibal Tours S.A.	Tunisia	5 Rue Saint Fulgence Mutuelleville, Wandsworth,, Tunis 1002	TND10.00 Ordinary shares	0.01	51
Inter Hotel SARL	Tunisia	54 Rue du Niger, 1002 Tunis Belvedere.	TND10.00 Ordinary shares	-	100
Itaria Limited	Cyprus	Capital Chambers 1, Constantinou Skokou, 5th Floor, Nicosia, P.C. 1061.	€1.00 Ordinary shares	100	100
TUI Travel Distribution N.V.	Belgium	Gistelsesteenweg 1, B-8400 Oostende.	€ Ordinary shares	51	100
Magic Hotels SA	Tunisia	71 Rue Alain Savary, Tunis, 1003	TND50.00 Ordinary shares	100	100
Magic Life Egypt for Hotels LLC	Egypt	Magic Life Sharm El Shaeikh Hotel Resort, Nabq, Sharm El Sheikh, South Sinai Governorate, Egypt	EGP100.00 Ordinary shares	99.94	100
Magic Tourism International S.A.	Tunisia	Complexe Le Forum, No B42, 4e Etage, 1 Rue de Carthage, Ariana	TND100.00 Ordinary shares	97	98.50
Societe d'investissement et d'expoitation du Paladien Calcatoggio	France	Hotel Le Grand Bleu, Plage de Liscia, 20111, Calcatoggio.	€3.175 Ordinary shares	100	100
Travel Choice Limited	United Kingdom	Wigmore House, Wigmore Lane, Luton, Bedfordshire, LU2 9TN	£1.00 Ordinary Shares	100	100
TT Hotels Italia S.R.L	Italy	Via Principessa Clotilde 7 Rome (RM) 00196	€1.00 Ordinary shares	100	100
TT Hotels Turkey Otel Hizmetleri Turizm ve Ticaret Anonim Sirketi	Turkey	Güzeloba Mah. Havaalanı Cad. No:64 Plaza Batuhan, Muratpaşa / Antalya, D:6-7.	TRL1.00 Ordinary shares	100	100
Tunisie Investment Services Holding	Tunisia	Rue de Lengergie Solaire, Impasse No 4, La Chargura II, 2035, Tunisie	TND100.00 Ordinary shares	2	51
Tunisie Voyages S.A.	Tunisia	Rue de Lengergie Solaire, Impasse No 4, La Chargura II, 2035, Tunisie	TND100.00 Ordinary shares	0.01	51

The Directors believe that the book value of all existing investments is supported by the higher of underlying net assets or their recoverable value.

12. Investments in joint ventures

	Investments in joint ventures £'000
Cost:	
At 1 October 2018 and at 30 September 2019	12,440
Impairment:	
At 1 October 2018	-
Reversal of impairment	-
At 30 September 2019	-
Net book value:	
At 30 September 2019	**12,440**
At 30 September 2018	12,440

List of investments in joint ventures at 30 September 2019:

Name of undertaking	Country of incorporation	Registered address	Share class	% held by directly by the Company	% held by Group companies
Bartu Turizm Yatirimlari Anonim Sirketi	Turkey	Ebulula Cad.Mayameridien, Plaza D.2 Blok, Kat:3 D:13 Akatlar, Istanbul.	€1.00 Ordinary shares	-	50
Farnbury International S.A.	Panama	Calle 53 Este, Urbanizacion Marbella, Torre MMG, 2nd Floor, Panama.	US$1.00 Ordinary shares	-	50
Karisma Hotels Caribbean S.A	Panama	Calle 53 Este, Urbanizacion Marbella, Torre MMG, 2nd Floor, Panama.	US$1.00 Ordinary shares	50	50
Panac Hotel Dominicana S.R.L	Dominican Republic	Lope de Vega Avenue No 19, Torre PIISA II, Suite 301, Santa Domingo.	DOP100.00 Ordinary shares	-	50
Panac Hotel Investments S.A.	Panama	Calle 53 Este, Urbanizacion Marbella, Torre MMG, 2nd Floor, Panama.	US$1.00 Ordinary shares	-	50
Sercomax S.R.L.	Panama	Calle 53 Este, Urbanizacion Marbella, Torre MMG, 2nd Floor, Panama.	DOP100.00 Ordinary shares	-	50

The Directors believe that the book value of all existing investments in joint ventures is supported by the higher of underlying net assets or their recoverable value.

13. Investments in associates

	Investments in associates £'000
Cost:	
At 1 October 2018 and at 30 September 2019	**3,754**
Impairment:	
At 1 October 2018	-
Reversal of impairment	-
At 30 September 2019	-
Net book value:	
At 30 September 2019	**3,754**
At 30 September 2018	3,754

List of investments in associated undertakings at 30 September 2019:

Name of Undertaking	Country of incorporation	Registered address	Share class	% held directly by the Company	Total effective control held by Group companies
Hoteli Zivogosce d.d	Croatia	Zivogosce (Opcina Podgora), Porat 136	HRK10.00 Ordinary shares	-	33.33
Karisma Hotels Adriatic d.o.o.	Croatia	Trg Drazena Petrovica 3, Zagreb.	HRK28,464,200.00 Ordinary shares	33.33	33.33
Hoteli Kolocep d.d	Croatia	Trg Drazena Petrovica 3, Zagreb.	HRK20,000.00 Ordinary shares	-	33.33
Adriasense d.o.o	Croatia	Trg Drazena Petrovica 3, Zagreb.	HRK20,000.00 Ordinary shares	-	33.33
KHA pet d.o.o.	Croatia	Trg Drazena Petrovica 3, Zagreb.	HRK20,000.00 Ordinary shares	-	33.33
KHA tri d.o.o.	Croatia	Trg Drazena Petrovica 3, Zagreb.	HRK20,000.00 Ordinary shares	-	33.33

The Directors believe that the book value of all existing investments in associates is supported by the higher of underlying net assets or their recoverable value.

14. Trade and other receivables

	30 September 2019 £'000	30 September 2018 £'000
Amounts due from TUI AG	**2,406**	-

Amounts due from TUI AG
Amounts due from TUI AG are unsecured, bear no interest and are repayable on demand.

15. Trade and other payables

	30 September 2019 £'000	30 September 2018 £'000
Amounts due to fellow subsidiaries	**30**	37

Amounts due to fellow subsidiary undertakings
Amounts due to fellow subsidiary undertakings are unsecured, bear no interest and are repayable on demand.

16. Called up share capital

	30 September 2019 £'000	30 September 2018 £'000
Authorised, issued and fully paid		
245,959,947 (2018: 195,742,947) ordinary share of £1.00 each	**245,960**	195,743

On 23 May 2019, the Company issued 50,217,000 ordinary £1.00 shares to its parent company TUI Travel Limited at par value of £1.00 for total cash consideration of £50,217,000.

17. Contingent liabilities

The Company has given guarantees in respect of the indebtedness of other Group companies. It is not expected that any liability will accrue.

18. Post balance sheet events

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

- On 6 February 2020, the Company issued 16,835,740 ordinary £1.00 shares to its parent company TUI Travel Limited at par value of £1.00 for total cash consideration of £16,835,740.
- On 6 February 2020 the Company subscribed for an additional 294,200 shares with a nominal value of TRL 1 each in TT Hotels Turkey Otel Hizmetleri Turizm ve Ticaret Anonim Sirketi for a total subscription price of €20,000,000 (£16,835,740).
- On 10th February 2020 the Company provided an interest bearing loan of £2,544,122 to Magic Life Egypt for Hotels LLC. The loan will mature on 30 September 2022 and interest is charged at 2.75%.
- 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 investment businesses, beginning in March 2020. In line with the UK and Irish Government advice against all but essential foreign travel, the UK & I Business took steps to suspend its touristic travel programme beginning in mid-March 2020. Customers who were already overseas around this time experienced disruption to their holidays as a result of various containment strategies put in place by overseas authorities, including some holidays which returned earlier than planned. The UK & I Business undertook a significant repatriation effort to return customers back to the UK, operating 63 flights over a three-week period to return 12,521 customers.
- At the date of approval of these financial statements, all beach holidays due to travel up to 10 July 2020 have been cancelled. Other selected TUI, First Choice and Marella Cruises holidays have also been cancelled for travel dates beyond this date. The UK & I Business continues to review its planned holiday programme for the remainder of summer 2020 in the light of latest developments and will respond to any changes in travel advice from either the UK or Irish Governments or overseas authorities when new information becomes available.
- In June 2020, the TUI group and Boeing announced they have agreed on a comprehensive package of measures to offset the consequences of the grounding of the 737 MAX. The agreement provides compensation which covers a significant portion of the financial impact, as well as credits for future aircraft orders. The compensation will be realised over the next two years. In addition, both parties have agreed to a revised delivery schedule for the 61 737 MAX aircraft on order, meaning that the TUI group will get fewer 737 MAX deliveries from Boeing than previously planned in the next several years. The associated payment schedules have been adapted accordingly. As a result of this, less than half of the originally planned 737 MAX aircraft will be delivered to the TUI group in the next two years. On average, compared with the original scheduling, the 737 MAX deliveries will be delayed by approximately two years. This will significantly reduce TUI's capital and financing requirements for aircraft in the coming years and supports TUI's plan to reduce the size of fleet of its five European airlines in the wake of the COVID-19 crisis. Due to the commercial sensitivity of this agreement, the financial details of the agreement have not been disclosed.
- Covid-19 is considered an indicator of impairment, given the adverse effect on the operations of the Company's subsidiaries, associates and joint ventures. For the year ending 30 September 2020, an impairment review will be required on all investments and could lead to material impairments.

19. Ultimate parent company and controlling party

The Company is controlled by TUI AG, a company registered in Berlin and Hanover (Federal Republic of Germany), which is the ultimate parent company and controlling party. The immediate parent company is TUI Travel Limited, a company incorporated in the United Kingdom.

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