

**MARAHEATH LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**for the year ended 30 September 2010**

**Company number 4002549**

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**Maraheath Limited**  
**Report of the Directors for the year ended 30 September 2010**

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The Directors present their report and the audited financial statements of Maraheath Limited ("the Company") for the year ended 30 September 2010

**Principal activity**

The Company's principal activity during the year was to provide management services and control over its subsidiaries involved in travel activities

**Results and dividends**

The Company's loss on ordinary activities before taxation for the year ended 30 September 2010 was £13,735,000 (2009 £nil) No dividends were paid during the year (2009 £nil) and the Directors do not recommend the payment of a final dividend

**Business review**

During 2009/10 the decision was taken to sell its investments in subsidiaries to TUI Travel SAS Holdings Limited with a view to strike off the Company in the future The loss for the financial year relates entirely to this transaction

The Company is a part of the TUI Travel PLC group of companies ("the Group") The business review, key performance indicators and risks and uncertainties of the Group for the year ended 30 September 2010 are included in the consolidated financial statements of that company which can be obtained from the TUI Travel PLC address given in Note 12

**Funding and liquidity**

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

**Directors**

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

A L John  
J Walter

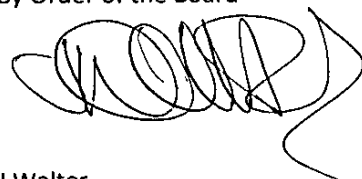
**Directors' insurance**

The intermediate parent company, TUI Travel PLC, maintains Directors' & Officers' Liability insurance policies on behalf of the Directors of the Company

**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

By Order of the Board



J Walter  
Director

Company number 4002549

Dated 25 May 2011

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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

## Report of the independent auditors to the members of Maraheath Limited

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We have audited the financial statements of Maraheath Limited for the year ended 30 September 2010 set out on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors' 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.

### Respective responsibilities of Directors and auditors

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

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### 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 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

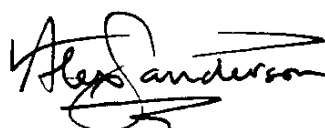
### Opinion on other matter prescribed by the Companies Act 2006

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.



P Alex Sanderson (Senior Statutory Auditor)  
For and on behalf of KPMG Audit Plc Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London E14 5GL

Dated 26<sup>th</sup> May 2011

**Maraheath Limited**  
**Profit and loss account for the year ended 30 September 2010**

		<b>Year ended 30 September 2010 £000</b>	<b>Year ended 30 September 2009 £000</b>
	<b>Note</b>		
Loss on disposal of investments	5	<b>(13,735)</b>	-
<b>Loss on ordinary activities before taxation</b>		<b>(13,735)</b>	-
Tax on loss on ordinary activities	4	-	-
<b>Loss for the financial year</b>	9	<b>(13,735)</b>	-

The results stated above are all derived from discontinued operations

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents

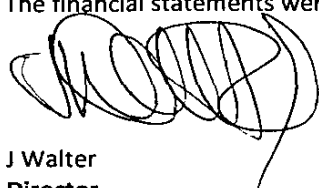
There are no recognised gains and losses other than those included in the profit and loss account

**Maraheath Limited**  
**Balance sheet as at 30 September 2010**

		<b>30 September 2010 £000</b>	<b>30 September 2009 £000</b>
	<b>Note</b>		
<b>Fixed assets</b>			
Investments	5	-	20,500
		-	20,500
<b>Current assets</b>			
Debtors amounts due after more than one year	6	6,765	-
Creditors amounts falling due within one year	7	(4,174)	(4,174)
<b>Net current liabilities</b>		2,591	(4,174)
<b>Net assets</b>		2,591	16,326
<b>Capital and reserves</b>			
Called up share capital	8	100	100
Share premium account	9	16,225	16,225
Profit and loss account	9	(13,734)	1
<b>Equity shareholder's funds</b>	10	2,591	16,326

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

The financial statements were approved by the Board on 25 May 2011 and signed on their behalf by



**J Walter**  
**Director**

**1. Accounting policies**

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

**Basis of preparation**

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

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

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**

At 30 September 2010, the Company balance sheet consisted only of balances with Group undertakings.

The accounts are prepared on a going concern basis as Tui Travel PLC has agreed to provide financial support to the Company in order that it can meet its liabilities as they fall due, for as long as the Company remains a member of the group.

**Investments**

Investments are stated at cost less provision for impairment. Impairment reviews are carried out if there is an indication of a reduction in value.

**Taxation**

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

Except as otherwise required by accounting standards, full provision without discounting is made for all deferred taxation timing differences which have arisen but not reversed at the balance sheet date. Timing differences arise when items of income and expenditure are included in tax computations in periods 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.

**2. Segmental analysis**

The Company had one class of business, namely acting as a holding company.

**3. Operating loss**

In 2010 and 2009, the auditors' remuneration was paid by another Group company. The audit fee relating to the Company was as follows:

	Year ended 30 September 2010 £000	Year ended 30 September 2009 £000
Fees for the audit of the Company	5	-

In both the current and prior year, the Directors received no remuneration for their services to the Company. The Company had no employees in either year.

**4. Taxation on loss on ordinary activities**

There is no tax charge or credit in the year ended 30 September 2010 and 30 September 2009

**(i) Factors affecting tax charge for the year**

The current tax credit for the year is £nil (2009 £nil) This is explained below

	Year ended 30 September 2010 £000	Year ended 30 September 2009 £000
Loss on ordinary activities before tax	(13,735)	-
Loss on ordinary activities at the standard rate of UK corporation tax of 28% (2009 28%)	(3,846)	-
Effects of		
- Expenses not deductible for tax purposes	3,846	-
Current tax charge for year	-	-

**(ii) Factors affecting the future tax charge**

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. However it is not anticipated that the company will trade. The statutory rate of UK corporation tax is reduced to 26% with effect from 1 April 2011.

There are no unrecognised deferred tax assets or unprovided deferred tax liabilities at the current or prior year end.

**5. Investments**

	Investments in subsidiary undertakings £000
<b>Cost.</b>	
As at 1 October 2009	20,500
Disposals	(20,500)
<b>As at 30 September 2010</b>	<b>-</b>
<b>Net book value</b>	
<b>As at 30 September 2010</b>	<b>-</b>
As at 30 September 2009	20,500

On 30 September 2010 all the issued share capital of Specialist Holidays (Travel) Limited (formerly Citalia Holidays Limited) was transferred to TUI Travel SAS Holdings Limited for £6,765,000 in the form of an intercompany loan note. The loan agreement is on standard arm's length terms and interest rates.



<b>6. Debtors: amounts falling due after one year</b>	<b>30 September 2010 £000</b>	<b>30 September 2009 £000</b>
Amounts owed by Group undertakings	<u>6,765</u>	<u>-</u>
Amounts owed by Group undertakings bear interest at 5%, are unsecured and are repayable in full by 2015		
<b>7. Creditors: amounts falling due within one year</b>	<b>30 September 2010 £000</b>	<b>30 September 2009 £000</b>
Amounts due to Group undertakings	<u>4,174</u>	<u>4,174</u>
Amounts due to Group undertakings bear interest, are unsecured and are repayable on demand		
<b>8. Share capital</b>	<b>30 September 2010 £000</b>	<b>30 September 2009 £000</b>
<b>Issued and fully paid</b>		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>9. Reserves</b>	<b>Share premium account £000</b>	<b>Profit and loss account £000</b>
At 1 October 2009	16,225	1
Loss for the financial year	-	(13,735)
<b>At 30 September 2010</b>	<u>16,225</u>	<u>(13,734)</u>
<b>10. Equity shareholders' funds</b>		<b>£000</b>
Opening shareholder's funds		16,326
Loss for the financial year		(13,735)
<b>Closing shareholder's funds</b>		<u>2,591</u>
<b>11. Related party transactions</b>		

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

**12. 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. The intermediate holding company is TUI Travel PLC. The immediate holding company is First Choice Holidays Limited.

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

Copies of the TUI Travel PLC financial statements are available from the Company Secretary TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex RH10 9QL or from the website [www.tuitravelpc.com](http://www.tuitravelpc.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 address [www.tui-group.com](http://www.tui-group.com).