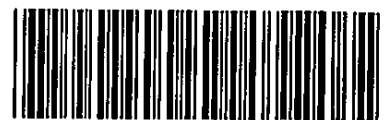


**ARAGON TOURS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2010**

**COMPANY NUMBER 1173117**

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

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

**Principal activity**

The Company acts as an organiser and seller of tours and excursions

**Results and dividends**

The loss on ordinary activities before taxation for the year ended 30 September 2010 amounted to £144,446 (2009 profit £404,538). A dividend of £713,652 was paid during the year when all the assets and liabilities of the Company were transferred to a parent undertaking (2009 £nil). The Directors do not recommend the payment of a final dividend.

**Business review**

On 1 April 2010 the business and assets of Aragon Tours Limited was transferred as a going concern by way of Intra Group transfer to Trina Tours Limited for their book value of £713,652. Both companies are wholly-owned subsidiary companies within the TUI Travel PLC group companies. The Company is exempt by virtue of its size from the requirement to include an enhanced business review.

**Funding and liquidity**

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

**Directors**

The Directors of the Company at the date of this report and up to the date of signing the financial statements were

A Garcia-Tenorio  
A L John  
M F Payne  
M R Robinson

Other directors who served during the year are

R E Ashley	(resigned 30 October 2009)
P J Bidgood	(resigned 24 September 2010)

**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.

**Directors' insurance**


The intermediate parent company, TUI Travel PLC, maintains Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company for all wrongful acts.

**DIRECTORS' REPORT (continued)**

**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

A large, stylized handwritten signature in black ink, appearing to read 'M. L. John', is written over the text 'By order of the Board' and 'M. L. John Director'.

**M. L. John**  
**Director**

Dated 10 February 2011

Company number 1173117

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**Aragon Tours Limited****Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements for the year ended 30 September 2010**

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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.

**Aragon Tours Limited**  
**Report of the independent auditors to the members of Aragon Tours Limited**

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We have audited the financial statements of Aragon Tours Limited for the year ended 30 September 2010 set out on pages 5 to 14. 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 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 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.

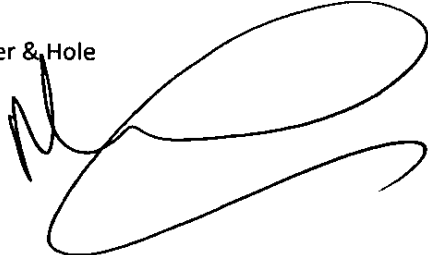
**Matter on which we are required to report by exception**

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.

Howard Wilkinson  
(Senior Statutory Auditor)  
for and on behalf of Mercer & Hole  
Chartered Accountants  
Statutory Auditor  
72 London Road  
St Albans  
AL1 1NS

Dated 11<sup>th</sup> February 2011



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

	Note	Year ended 30 September 2010 £	10-month period ended 30 September 2009 £
<b>Turnover</b>	1,2	<b>28,802</b>	3,542,725
Cost of sales		<u>(50,940)</u>	<u>(2,791,685)</u>
<b>Gross (loss)/profit</b>		<b>(22,138)</b>	751,040
Administrative expenses		<u>(122,426)</u>	<u>(346,607)</u>
<b>Operating (loss)/profit</b>		<b>(144,564)</b>	404,433
Interest receivable and similar income	6	<u>118</u>	<u>105</u>
<b>(Loss)/profit on ordinary activities before taxation</b>	3	<b>(144,446)</b>	404,538
Tax on (loss)/profit on ordinary activities	7	<u>39,960</u>	<u>(113,252)</u>
<b>(Loss)/profit for the financial year</b>	15	<b><u>(104,486)</u></b>	<b><u>291,286</u></b>

The Company's operations were discontinued during the year

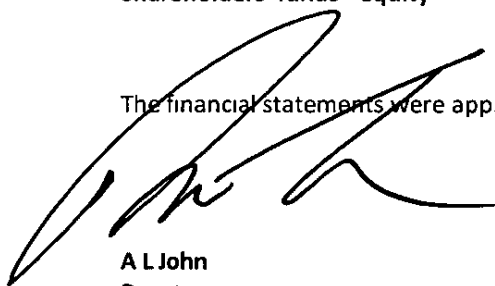
A note on historical cost profits and losses has not been included as part of these financial statements as the results as disclosed in the profit and loss account are prepared on an unmodified historical cost basis

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

**Aragon Tours Limited**  
**Balance sheet at 30 September 2010**

	Note	30 September 2010 £	30 September 2009 £
<b>Fixed assets</b>			
Tangible assets	9	-	5,639
		-	5,639
<b>Current assets</b>			
Debtors	10	3	715,414
Cash at bank and in hand		-	632,603
		3	1,348,017
<b>Creditors' amounts falling due within one year</b>	11	-	(535,515)
<b>Net current assets</b>		3	812,502
<b>Total assets less current liabilities</b>		3	818,141
<b>Net assets</b>		3	818,141
<b>Capital and reserves</b>			
Called up share capital	14	3	3
Profit and loss account	15	-	818,138
<b>Shareholders' funds - equity</b>	16	3	818,141

The financial statements were approved by the Board on 10 February 2011 and signed on their behalf by



**A L John**  
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 FRS 1 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

**Related party transactions**

As the Company is a wholly-owned subsidiary of TUI Travel PLC, the Company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with wholly-owned entities which form part of the Group (or investees of the Group qualifying as related parties) The consolidated financial statements of TUI Travel PLC, within which this Company is included, can be obtained from the address given in Note 18

**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

Computer equipment	3 years straight-line
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**Pensions**

In the prior year, the Company participated in the Group Defined Contribution Scheme Pension liabilities are charged to the profit and loss account as they fall due Further details of the Group Defined Contribution Pension Scheme can be found in the financial statements of TUI Travel PLC

**Taxation**

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

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

**Foreign currencies**

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



**1. Accounting policies (continued)**

**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. All turnover originates within the UK.

**Marketing and other direct sales costs**

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

**Dividends**

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

**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, using the effective interest rate method.

**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 has one class of business, namely acting as a tour operator.

Turnover analysed by geographical location (source market)

	Year ended 30 September 2010 £	10-month period ended 30 September 2009 £
United Kingdom	28,802	3,429,817
Rest of World	-	112,908
	<u>28,802</u>	<u>3,542,725</u>

**3. (Loss)/profit on ordinary activities before taxation**

(Loss)/profit on ordinary activities before taxation is stated after charging / (crediting)

	<b>Year ended 30 September 2010</b>	<b>10-month period ended 30 September 2009</b>
	<b>£</b>	<b>£</b>
Depreciation on fixed assets - owned	<b>1,080</b>	956
Exchange gains	<b>(3,090)</b>	(4,555)
Operating leases - land and buildings	-	1,875

In 2010 auditors' remuneration was borne by another Group company. The audit fee relating to the Company was as follows

	<b>Year ended 30 September 2010</b>	<b>10-month period ended 30 September 2009</b>
	<b>£</b>	<b>£</b>
Fees for the audit of the Company	<b>10,000</b>	10,000

**4 Staff numbers and costs**

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

	<b>Year ended 30 September 2010</b>	<b>10-month period ended 30 September 2009</b>
	<b>Number</b>	<b>Number</b>
Selling and administration	<b>1</b>	1
Operations	<b>3</b>	3
	<b>4</b>	4

The aggregate payroll costs for those employees were as follows

	<b>Year ended 30 September 2010</b>	<b>10-month period ended 30 September 2009</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>72,117</b>	98,668
Social security costs	<b>7,647</b>	10,566
	<b>79,764</b>	109,234

5. Directors' remuneration

	Year ended 30 September 2010 £	10-month period ended 30 September 2009 £
Directors' remuneration	14,667	73,333
	<u>14,667</u>	<u>73,333</u>

The remuneration of 3 (2009: 3) Directors was borne by another company in the Group

6. Interest receivable and similar income

	Year ended 30 September 2010 £	10-month period ended 30 September 2009 £
Bank interest receivable	118	105
	<u>118</u>	<u>105</u>

7. Tax on (loss)/profit on ordinary activities

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

	Year ended 30 September 2010 £	10-month period ended 30 September 2009 £
Current tax		
UK Corporation Tax at 28% (2009: 28%)	-	58,938
Amount (receivable from) / payable to fellow subsidiaries for group relief	(39,960)	54,462
<b>Total current tax</b>	<u>(39,960)</u>	<u>113,400</u>
Deferred tax		
Origination and reversal of timing differences		
- Current year	-	(148)
<b>Total deferred tax (Note 13)</b>	<u>-</u>	<u>(148)</u>
<b>Tax (credit)/charge on (loss)/profit on ordinary activities</b>	<u>(39,960)</u>	<u>113,252</u>

**7. Tax on (loss)/profit on ordinary activities (continued)**

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

The current tax (credit)(2009 charge) for the year is lower (2009 higher) than the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	Year ended 30 September 2010	10-month period ended 30 September 2009
	£	£
(Loss) / profit on ordinary activities before tax	<u>144,446</u>	<u>404,538</u>
(Loss) / profit on ordinary activities at the standard rate of UK corporation tax of 28% (2009 28%)	(40,445)	113,271
Effect of		
- Amounts not deductible for tax purposes	182	207
- Depreciation for year in excess of capital allowances	<u>303</u>	<u>(78)</u>
<b>Current tax (credit) / charge for the year</b>	<u><b>(39,960)</b></u>	<u><b>113,400</b></u>

**(iii) Factors affecting the future tax (credit) / 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 The statutory rate of UK Corporation tax is reduced to 27% 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

**8. Dividends**

The aggregate amount of dividends comprises

	Year ended 30 September 2010	Year ended 30 September 2009
	£	£
Interim dividend in specie	<u>713,652</u>	-
	<u><b>713,652</b></u>	<u><b>-</b></u>

9. Tangible fixed assets

	Computer equipment	Total
	£	£
Cost		
At 1 October 2009	19,981	19,981
Transfers to Group undertakings	(19,981)	(19,981)
<b>At 30 September 2010</b>	<b>-</b>	<b>-</b>
Depreciation		
At 1 October 2009	14,342	14,342
Transfers to Group undertakings	(15,422)	(15,422)
Charge for year	1,080	1,080
<b>At 30 September 2010</b>	<b>-</b>	<b>-</b>
Net book value		
<b>At 30 September 2010</b>	<b>-</b>	<b>-</b>
At 30 September 2009	5,639	5,639

10. Debtors

	30 September 2010	30 September 2009
	£	£
Trade debtors	-	656,435
Amounts owed by Group undertakings	3	-
Deferred tax asset (Note 13)	-	148
Prepayments and accrued income	-	58,831
	<b>3</b>	<b>715,414</b>

Amounts owed by Group undertakings are unsecured and have no fixed date of repayment. Balances with dormant companies are interest free and all others bear interest at the Bank of England base rate.

**11. Creditors: amounts falling due within one year**

	<b>30 September 2010 £</b>	<b>30 September 2009 £</b>
Bank loans and overdrafts	-	309,235
Trade creditors	-	556
Corporation tax	-	58,938
Group relief payable to Group undertakings	-	54,462
Other creditors including taxation and social security	-	2,824
Accruals and deferred income	-	109,500
	<u>-</u>	<u>535,515</u>

Amounts owed to Group undertakings are unsecured and have no fixed date of repayment. Balances with dormant companies are interest free and all others bear interest at the Bank of England base rate.

**12. Lease commitments**

Annual commitments under non-cancellable operating leases are as follows

	<b>30 September 2010 Land and buildings £</b>	<b>30 September 2009 Land and buildings £</b>
Operating leases expiring		
In the second to fifth years inclusive	<u>-</u>	<u>7,500</u>
	<u>-</u>	<u>7,500</u>

**13. Deferred tax asset**

The movement in deferred taxation during the year was

	<b>£</b>
At 1 October 2009	148
Transferred to Trina Tours Limited	<u>(148)</u>
<b>At 30 September 2010</b>	<u>-</u>

The elements of deferred tax are as follows

	<b>30 September 2010 £</b>	<b>30 September 2009 £</b>
Fixed asset timing differences	<u>-</u>	<u>148</u>
	<u>-</u>	<u>148</u>

There are no other unrecognised deferred tax assets or unprovided deferred tax liabilities at either 30 September 2010 or 30 September 2009.

**Aragon Tours Limited**  
**Notes to the financial statements for the year ended 30 September 2010**

**14. Share capital**

	<b>30 September 2010 £</b>	<b>30 September 2009 £</b>
<b>Issued and fully paid</b>		
3 Ordinary Shares of £1 each	<b>3</b>	<b>3</b>

**15. Profit and loss account**

	<b>Profit and loss account £</b>
1 October 2009	818,138
Loss for the financial year	(104,486)
Dividend in specie on hive up	(713,652)
<b>At 30 September 2010</b>	<b>-</b>

**16. Reconciliation of movements in shareholders' funds**

	<b>£</b>
Opening shareholders' funds	818,141
Loss for the financial year	(104,486)
Dividend in specie	(713,652)
<b>Closing shareholders' funds</b>	<b>3</b>

All shareholders' funds relate to equity interests

**17. Acquisitions and business transfers**

On 1 April 2010 the business and assets of Aragon Tours Limited was transferred as a going concern by way of intra group transfer to Trina Tours Limited for their book value of £713,652. Both companies are wholly-owned subsidiary companies within the TUI Travel PLC group of companies.

**18. 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 parent company is Trina Tours Limited.

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

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