

FIRST CHOICE TOUR OPERATIONS LIMITED

FINANCIAL STATEMENTS

for the year ended 30 September 2008

Company number 1961830



FIRST CHOICE TOUR OPERATIONS LIMITED**BALANCE SHEET**

as at 30 September 2008

	Note	30 September 2008 £'000	30 September 2007 £'000
FIXED ASSETS			
Investments	2	227,703	227,703
CURRENT ASSETS			
Debtors	3	6,434	6,434
CREDITORS: amounts falling due within one year	4	(246,604)	(246,604)
Net current liabilities		(240,170)	(240,170)
Net liabilities		(12,467)	(12,467)
CAPITAL AND RESERVES			
Called up share capital	5	250	250
Profit and loss account	6	(12,717)	(12,717)
Equity shareholders' deficit		(12,467)	(12,467)

During the financial year and the preceding financial period the Company did not trade and received no income and incurred no expenditure. Consequently, during those periods the Company made neither a profit nor a loss.

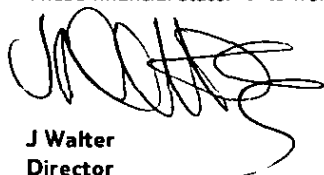
DIRECTORS' STATEMENT

The Company has taken advantage of the exemption provided by section 249AA(1) of the Companies Act 1985 relating to dormant companies and its members have not required the Company to obtain an audit of these accounts in accordance with section 249B(2).

The Directors acknowledge their responsibilities for ensuring that the Company keeps accounting records that comply with section 221 of the Companies Act 1985.

The Directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the Company.

These financial statements were approved by the Board of Directors on 22 July 2009 and were signed on its behalf by:



J Walter
Director

FIRST CHOICE TOUR OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2008

1 ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards consistently applied.

At 30 September 2008 the Company had net current liabilities and net liabilities. The Directors of the intermediate parent company, TUI Travel PLC, have confirmed their intention to make continued financial support available to enable the Company to meet liabilities as they fall due. As a result the financial statements have been prepared on the going concern basis.

Group financial statements

The Company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group financial statements because it is a wholly-owned subsidiary of a UK company. These financial statements present information about the Company as an individual undertaking and not about its group.

Cash flow statement

The Company is exempt under Financial Reporting Standard No. 1 (Revised 1996) 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.

Investments

Investments are stated at cost, less provisions for permanent diminution in value.

Related party transactions

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

FIRST CHOICE TOUR OPERATIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2008 (continued)

2 INVESTMENTS

Ordinary shares in
subsidiary undertakings
£'000

Cost

As at 30 September 2007 and 2008 233,695

Provision

As at 30 September 2007 and 2008 (5,992)

Net book value

At 30 September 2007 and 2008 227,703

Principal operating subsidiaries	% held	Nature of Business	Country of Registration
First Choice Holidays & Flights Limited	100	Tour Operator	England & Wales
*First Choice Aviation Limited	100	Flight Seat wholesaler	England & Wales

*owned by First Choice Holidays & Flights Limited

The Company's investment in First Choice Holidays & Flights Limited is carried at a net book value of £227.7m. For the year ended 30 September 2008 First Choice Holidays & Flights Limited made a loss after tax of £173.7m (11-month period ended 30 September 2007: net loss after tax of £59.5m) and had net liabilities at 30 September 2008 of £342.0m (30 September 2007: net liabilities of £166.6m). However, First Choice Holidays & Flights Limited is an integral part of the wider TUI Travel PLC group's UK business and the Directors of the Company have considered the value of their investment in this context. Accordingly, no provision for a permanent diminution in value is considered necessary. As described in Note 7 below, the Company disposed of its shareholding in First Choice Holidays & Flights Limited in October 2008.

3 DEBTORS

	30 September 2008 £'000	30 September 2007 £'000
Amounts owed by fellow subsidiary undertakings	<u>6,434</u>	<u>6,434</u>

4 CREDITORS: amounts falling due within one year

	30 September 2008 £'000	30 September 2007 £'000
Amounts owed to fellow subsidiary undertakings	<u>246,604</u>	<u>246,604</u>

FIRST CHOICE TOUR OPERATIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****for the year ended 30 September 2008 (continued)****5 SHARE CAPITAL**

	30 September 2008 £'000	30 September 2007 £'000
Authorised, issued and fully paid		
250,000 ordinary shares of £1 each	250	250

6 RESERVES

	£'000
At 30 September 2007 and 2008	(12,717)

7 POST BALANCE SHEET EVENT

On 1 October 2008, the Company sold the entire issued share capital of First Choice Holidays & Flights Limited to TUI UK Limited.

8. 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 undertaking is Sovereign Tour Operations 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. 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.