

Falcon Leisure Group (Overseas) Limited

Report and Financial Statements

for the year ended

30 September 2009

Company number 2220337



**Falcon Leisure Group (Overseas) Limited**  
**Report of the Directors for the year ended 30 September 2009**

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The Directors submit their report and the audited financial statements of Falcon Leisure Group (Overseas) Limited ("the Company") for the year ended 30 September 2009

**Principal activity**

The Company acts as a tour operator in the Republic of Ireland.

**Results and dividends**

The loss on ordinary activities before taxation for the year ended 30 September 2009 amounted to £3,863,593 (2008 profit £2,300,425). There were no dividends paid during the year (2008 £20,000,000). The Directors do not recommend the payment of a final dividend.

**Business review**

The package holiday market during 2009 faced challenging trading conditions with a significant downturn in demand reflecting the overall economic recessionary environment in Ireland. During the year, the Company took significant action to address these conditions in the form of capacity reductions to reduce the business's exposure to the drop in demand and the suppressed price levels prevailing. However, notwithstanding this action, profit margins were significantly down on 2008. The Company's financial performance has been adversely affected by trading conditions in the market and by the fact that this year's profit and loss statement incorporates a provision for restructuring costs. The restructuring of our operations has been facilitated within the context of the TUI Travel Plc Group of companies ("the Group") and will allow the Company to reduce its cost base, whilst maintaining its capacity to service its target market.

The Directors believe that the Company is well equipped to face the fast-changing and challenging environment of 2010 and beyond by capitalising on the strength of the Falcon brand and effectively managing capacity, costs and distribution capacity as part of the Group.

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

**Economic downturn.** Subsequent to the year end, the current economic environment continues to be challenging. The Directors consider that the Company has, within the context of the Group, appropriate planning process in place to address this future uncertainty and the Directors continue to monitor the trading outlook carefully and take appropriate mitigating action.

**Geo-political events and natural disasters.** The nature of our business means that we are at risk of geo-political events or natural disasters. It is for this reason that we ensure we operate with a flexible and efficient business model and minimise the reliance on any one destination.

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

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

**Environmental risk.** As a tour operator we use aircraft to take people on holidays, sometimes to countries where tourism is just developing. This does have an impact on the environment and we take our corporate and social responsibilities seriously at every level. We work with the authorities and suppliers in the destinations we serve to ensure that any local environmental impact is minimised in the best interests of the indigenous population.

**Financial risk.** The treasury function is managed centrally in the Group and supports the business activities and financial risks faced by the Company. The Directors identify, monitor and manage the financial risks faced by the Company including foreign exchange.

**Falcon Leisure Group (Overseas) Limited**  
**Report of the Directors for the year ended 30 September 2009 (continued)**

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

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

**Funding and liquidity**

The Directors have considered the funding and liquidity position of the Company and of its 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

As part of the TUI Travel Group Plc of Companies ("the Group"), cash management is more centralised resulting in a movement between cash in bank and amounts owed by group entities

**Directors**

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

C Donnelly  
A L John  
D A Mooney  
J S Ryan  
D Shearer

**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 suppliers 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

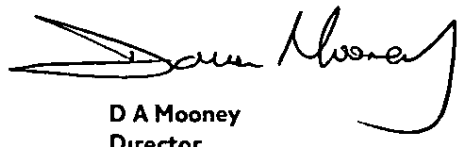
**Statement as to disclosure of information to auditors**

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

**Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office

By order of the Board

  
**D A Mooney**  
**Director**

Dated 27 January 2010

  
**J S Ryan**  
**Director**

Dated 27 January 2010

**Falcon Leisure Group (Overseas) Limited**

**Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements for the year ended 30 September 2009**

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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

**Falcon Leisure Group (Overseas) Limited**  
**Report of the independent auditors to the members of Falcon Leisure Group (Overseas) Limited**  
**Company Number 2220337**

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We have audited the financial statements of Falcon Leisure Group (Overseas) Limited for the year ended 30 September 2009 set out on pages 5 to 15. 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 web-site 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 2009 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

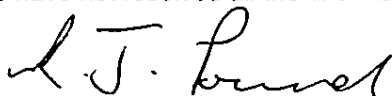
**Opinion on other matter prescribed by the Companies Act 2006**

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



R J Pound (Senior Statutory Auditor)  
for and on behalf of KPMG Audit Plc, Statutory Auditor

**KPMG Audit Plc**  
*Chartered Accountants*  
8 Salisbury Square  
London  
EC4Y 8BB

27 January 2010

**Falcon Leisure Group (Overseas) Limited**  
**Profit and loss account for the year ended 30 September 2009**

	Note	Year ended 30 September 2009 £	Year ended 30 September 2008 £
<b>Turnover</b>	1	56,193,206	71,516,469
Cost of sales		<u>(55,675,536)</u>	<u>(66,062,978)</u>
<b>Gross profit</b>		517,670	5,453,491
Administrative expenses		<u>(4,396,357)</u>	<u>(3,520,518)</u>
<b>Operating (loss)/profit</b>		<b>(3,878,687)</b>	1,932,973
Interest receivable and similar income	5	15,094	391,592
Loss on disposal of fixed assets	2	<u>-</u>	<u>(24,140)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>	2	<b>(3,863,593)</b>	2,300,425
Tax on (loss)/profit on ordinary activities	6	<u>485,606</u>	<u>(341,896)</u>
<b>(Loss)/profit for the financial year</b>	13	<u><b>(3,377,987)</b></u>	<u>1,958,529</u>

The results stated above are all derived from continuing operations

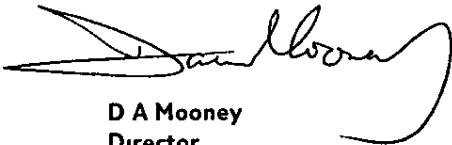
A note on historical cost profits and losses has not been included as part of these financial statements as the results as disclosed in the profit and loss account are prepared on an unmodified historical cost basis

The Company has no recognised gains or losses other than those included in the profit and loss account. Accordingly, no statement of total recognised gains and losses is presented.

**Falcon Leisure Group (Overseas) Limited**  
**Balance sheet at 30 September 2009**

	Note	30 September 2009 £	30 September 2008 £
<b>Fixed assets</b>			
Tangible assets	7	10,273	13,815
<b>Current assets</b>			
Debtors	8	58,891,839	2,945,834
Cash at bank and in hand		-	104,360,657
		<u>58,891,839</u>	<u>107,306,491</u>
<b>Creditors: amounts falling due within one year</b>	9	(35,372,280)	(80,412,487)
<b>Net current assets</b>		<u>23,519,559</u>	<u>26,894,004</u>
<b>Net assets</b>		<u>23,529,832</u>	<u>26,907,819</u>
<b>Capital and reserves</b>			
Called up share capital	11	510,000	510,000
Profit and loss account	12	<u>23,019,832</u>	<u>26,397,819</u>
<b>Shareholders' funds - equity</b>	13	<u>23,529,832</u>	<u>26,907,819</u>

The financial statements were approved by the Board on 27<sup>th</sup> January 2010 and signed on their behalf by

  
**D A Mooney**  
**Director**

  
**J S Ryan**  
**Director**

**Falcon Leisure Group (Overseas) Limited**  
**Cash flow statement for the year ended 30 September 2009**

<b>Cash flow statement for the year ended 30 September 2009</b>	<b>Year ended 30 September 2009 £</b>	<b>Year ended 30 September 2008 £</b>
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(106,204,420)</b>	<b>66,151,525</b>
<b>Returns on investment and servicing of finance:</b>		
Interest received	15,094	391,592
<b>Net cash inflow from return on investments and servicing of finance</b>	<b>15,094</b>	<b>391,592</b>
<b>Taxation received/(paid)</b>	<b>391,397</b>	<b>(247,785)</b>
<b>Net cash flow from capital expenditure and financial investments</b>	<b>(10,273)</b>	<b>-</b>
<b>Net cash (outflow)/inflow before financing</b>	<b>(105,808,202)</b>	<b>66,295,332</b>
Dividends paid	-	(20,000,000)
<b>Financing</b>	<b>-</b>	<b>(20,000,000)</b>
<b>(Decrease)/Increase in cash</b>	<b>(105,808,202)</b>	<b>46,295,332</b>
<b><u>Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities</u></b>		
<b>Operating (loss)/profit</b>	<b>(3,878,687)</b>	<b>1,932,973</b>
Depreciation charge	13,815	44,853
(Increase)/decrease in debtors	(55,946,005)	2,377,622
(Decrease)/increase in creditors	(46,393,543)	61,796,077
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(106,204,420)</b>	<b>66,151,525</b>
<b><u>Reconciliation of net cash (outflow)/inflow to movement in net funds</u></b>		
(Decrease)/increase in cash in the year	(105,808,202)	46,295,332
<b>Net funds at 1 October 2008 / 1 October 2007</b>	<b>104,360,657</b>	<b>58,065,325</b>
<b>Net (deficit)/funds at 30 September 2009/2008</b>	<b>(1,447,545)</b>	<b>104,360,657</b>



## **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 United Kingdom accounting standards and under the historical cost convention

### **Tangible fixed assets**

Tangible fixed assets are stated at historic cost, less accumulated depreciation and provision for impairment.

Depreciation is calculated on a straight-line basis to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The useful lives are as follows:

Office Equipment	4 years
Computer Equipment	5 years

### **Deferred taxation**

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

### **Foreign currencies**

Transactions in foreign 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 or 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

### **Pensions**

The Company participates in the Group's 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.

### **Turnover**

Turnover represents the total amount, excluding value added tax, invoiced by the Company in respect of services provided in the ordinary course of business. Turnover is recognised on the date of departure

The Company has one class of business, namely acting as a tour operator. All turnover originates within Ireland

The turnover figure of £56,193,206 (2008, £71,516,469) is the conversion into sterling of the underlying euro value of €66,570,034 (2008, €101,858,780)

### **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**

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved for payment.

**Falcon Leisure Group (Overseas) Limited****Notes forming part of the financial statements for the year ended 30 September 2008 (continued)****2. (Loss)/profit on ordinary activities before taxation**

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

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Depreciation on fixed assets - owned	13,815	44,853
Loss on disposal of fixed assets	-	24,140

In 2009 and 2008, auditors' remuneration was paid by another Group company. The audit fee relating to the Company was as follows:

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Fees for the audit of the Company	<u>4,000</u>	<u>4,000</u>

Fees paid to the Company's auditors, KPMG Audit Plc, and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements. This is on the basis that such non-audit fees are disclosed in the consolidated accounts of the Company's intermediate parent, TUI Travel PLC.

**3. Staff costs (including Directors' remuneration)**

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Wages and salaries	1,650,753	1,783,382
Social security costs	177,514	139,933
Other pension costs	<u>106,396</u>	<u>83,262</u>
	<u>1,934,663</u>	<u>2,006,577</u>

	Year ended 30 September 2009 Number	Year ended 30 September 2008 Number
Selling and administration	27	27
Operations	<u>25</u>	<u>30</u>
	<u>52</u>	<u>57</u>

The above costs exclude restructuring costs of £1,088,000 (2008: £nil) which were recharged from a fellow subsidiary.

4. Directors' remuneration

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Directors' remuneration	464,180	540,141
Pension contributions	<u>55,970</u>	<u>66,759</u>
	<u>520,150</u>	<u>606,900</u>

Highest paid director

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Remuneration	191,048	151,915
Pension contribution	<u>28,657</u>	<u>22,787</u>
	<u>219,705</u>	<u>174,702</u>

The remuneration of the Directors of the Company was borne by another Group company for the current and previous year

5. Interest receivable and similar income

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Interest receivable - group company	<u>15,094</u>	<u>391,592</u>

**Falcon Leisure Group (Overseas) Limited**
**Notes forming part of the financial statements for the year ended 30 September 2009 (continued)**

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
<b>6. Taxation</b>		
The tax (credit) in the year ended 30 September 2009 can be summarised as follows		
<b>(i) Analysis of tax (credit)/charge in year</b>		
Current tax		
Republic of Ireland corporation tax at 12.5% on (loss)/profit for the year (2008 12.5%)	-	341,495
Adjustments in respect of previous years	(8,994)	(12,314)
Group relief	(497,592)	-
<b>Total current tax</b>	<b>(506,586)</b>	<b>329,181</b>
Deferred tax		
Origination and reversal of timing differences		
- Current year Republic of Ireland	20,980	13,922
- Adjustments in respect of previous years	-	(1,207)
<b>Total deferred tax (Note 10)</b>	<b>20,980</b>	<b>12,715</b>
<b>Tax (credit)/charge on (loss)/profit on ordinary activities</b>	<b>(485,606)</b>	<b>341,896</b>

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

The current tax (credit) (2008 charge) for the year is higher (2008 higher) than the standard rate of corporation tax in the Republic of Ireland of 12.5% (2008 12.5%). The differences are explained below:

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
(Loss)/profit on ordinary activities before tax	(3,863,593)	2,300,425
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the Republic of Ireland of 12.5% (2008 12.5%)	(482,949)	287,553
Effect of		
- Amounts not deductible for tax purposes	4,449	18,915
- Depreciation for year in excess of capital allowances	(6,775)	283
- Income taxed at the higher rate	1,888	48,949
- Other short term timing differences	(14,205)	(14,205)
- Adjustment to tax charge in respect of previous years	(8,994)	(12,314)
<b>Current tax (credit)/charge for the year</b>	<b>(506,586)</b>	<b>329,181</b>

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

The rate of taxation is expected to follow the standard rate of corporation tax in the Republic of Ireland of 12.5% in future periods

**Falcon Leisure Group (Overseas) Limited**

**Notes forming part of the financial statements for the year ended 30 September 2009 (continued)**

**7. Tangible fixed assets**

	Office Equipment	Computer Equipment	Total
	£	£	£
<i>Cost</i>			
1 October 2008	351,489	224,625	576,114
Additions	10,273	-	10,273
<b>At 30 September 2009</b>	<b>361,762</b>	<b>224,625</b>	<b>586,387</b>
<i>Depreciation</i>			
1 October 2008	351,489	210,810	562,299
Charge for year	-	13,815	13,815
<b>At 30 September 2009</b>	<b>351,489</b>	<b>224,625</b>	<b>576,114</b>
<i>Net book value</i>			
<b>At 30 September 2009</b>	<b>10,273</b>	<b>-</b>	<b>10,273</b>
At 30 September 2008	-	13,815	13,815

**8. Debtors**

	30 September 2009 £	30 September 2008 £
Trade debtors	183,974	565,752
Amounts owed by group undertakings	56,790,736	-
Group relief receivable	180,836	-
Other debtors	884,730	1,075,883
Deferred tax asset (Note 10)	30,967	51,947
Prepayments and accrued income	820,596	1,252,252
	<b>58,891,839</b>	<b>2,945,834</b>

**Falcon Leisure Group (Overseas) Limited****Notes forming part of the financial statements for the year ended 30 September 2009 (continued)****9. Creditors: amounts falling due within one year**

	30 September 2009 £	30 September 2008 £
Bank loans and overdrafts	1,447,545	-
Trade creditors	256,061	-
Amounts owed to group undertakings	23,516,248	75,496,934
Preference shares (Note 11)	615,000	615,000
Taxation - group relief payable	-	329,739
Corporation tax	3,989	98,198
Client money received in advance	4,869,207	3,872,311
Accruals and other creditors	4,664,230	305
	<b>35,372,280</b>	<b>80,412,487</b>

**10. Deferred tax asset**

The movement in deferred taxation during the year was

	30 September 2009 £	30 September 2008 £
At 1 October	51,947	64,662
Credited in the year	(20,980)	(12,715)
<b>At 30 September (Note 8)</b>	<b>30,967</b>	<b>51,947</b>

The elements of deferred taxation are as follows

	30 September 2009 £	30 September 2008 £
Accelerated capital allowances	15,556	22,332
Tax losses	15,411	-
Other short term timing differences	-	29,615
<b>At 30 September</b>	<b>30,967</b>	<b>51,947</b>

There are no other unrecognised deferred tax assets or unprovided deferred tax liabilities at either 30 September 2009 or 30 September 2008

**Falcon Leisure Group (Overseas) Limited**
**Notes forming part of the financial statements for the year ended 30 September 2009 (continued)**
**11. Share capital**

	30 September 2009 £	30 September 2008 £
<i>Authorised</i>		
600,000 Ordinary shares of £1 each	600,000	600,000
615,000 8% cumulative preference shares of £1 each	<u>615,000</u>	<u>615,000</u>
	<u><b>1,215,000</b></u>	<u><b>1,215,000</b></u>
<i>Allotted, issued and fully paid</i>		
510,000 Ordinary shares of £1 each (equity)	510,000	510,000
615,000 8% cumulative preference shares of £1 each (non equity)	<u>615,000</u>	<u>615,000</u>
	<u><b>1,125,000</b></u>	<u><b>1,125,000</b></u>

The preference shares may be redeemed by the holder at any time after the fifth anniversary of the allotment which took place on 8 October 1988 in respect of 350,000 shares and, on 23 October 1989, for the remaining 265,000 shares. The preference shares are redeemable at par plus a premium of 5% per annum calculated from the date of allotment to the date of redemption. No provision has been made for this premium as the shareholder has expressed its intention not to redeem its shares. The financing cost of the preference shares has not been accrued as the shareholder has foregone its right to preference dividends in the current and all preceding years. The preference shares are shown as a creditor falling due in less than one year (Note 9).

**12. Reserves**

	Profit and loss account £
1 October 2008	26,397,819
Loss for the financial year	<u>(3,377,987)</u>
<b>At 30 September 2009</b>	<u><b>23,019,832</b></u>

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

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Opening shareholders' funds	26,907,819	44,949,290
(Loss)/profit for the financial year	(3,377,987)	1,958,529
Dividends paid	<u>-</u>	<u>(20,000,000)</u>
<b>Closing shareholders' funds</b>	<u><b>23,529,832</b></u>	<u><b>26,907,819</b></u>

All shareholders' funds relate to equity interests

**14. Related party transactions**

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 entities that form part of the group headed by TUI Travel PLC.

**15. 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 First Choice Overseas Holdings 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](http://www.tui-group.com).