

LORIMER INVESTMENTS LIMITED

Report and Accounts

For the year ended 31 December 2004

Registered Number: 4632466



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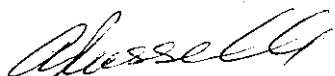
LORIMER INVESTMENTS LIMITED

DIRECTORS' REPORT (Continued)

Auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

By Order of the Board



A Russell
Company Secretary

Registered Office:
Greater London House
Hampstead Road
London
NW1 7SD

/s/ October 2005

LORIMER INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT

To the members of Lorimer Investments Limited

We have audited the financial statements that comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2004 and its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

12 October 2005

LORIMER INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2004

	Notes	2004 £	2003 £
Administrative expenses		-	(39)
Loss on ordinary activities before interest and tax		-	(39)
Interest receivable	2	23,517	60,976
Interest payable	3	(358)	-
Profit on ordinary activities before tax	5	23,159	60,937
Tax on profit on ordinary activities	6	(6,948)	(18,281)
Profit on ordinary activities after tax	11	16,211	42,656
Profit for the financial year		16,211	42,656
Dividends paid	4	(1,055,000)	(4,000,000)
Retained loss for the financial year		(1,038,789)	(3,957,344)
Profit & loss reserve brought forward	11	1,042,156	-
Profit & loss reserve carried forward	11	3,367	(3,957,344)

All amounts relate to continuing operations.

There were no recognised gains or losses other than those included in the profit and loss account.

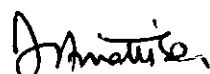
LORIMER INVESTMENTS LIMITED

BALANCE SHEET

As at 31 December 2004

	Notes	2004 £	2003 £
Current assets			
Debtors	7	94	3,282
Investments	8	29,199	1,057,657
		29,293	1,060,939
Creditors: amounts falling due within one year	9	(25,424)	(18,281)
Net assets		3,869	1,042,658
Capital and reserves			
Called up share capital	10	502	502
Reserves	11	3,367	1,042,156
Equity shareholders' funds	12	3,869	1,042,658

The financial statements were approved by the Board of Directors and signed on their behalf.



D. Mattison
Director

12 October 2005

The accounting policies on page 7 and notes on pages 7 to 10 form part of these financial statements.

LORIMER INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The Company's accounts are prepared under the historical cost convention and in accordance with applicable UK accounting standards. The principal accounting policies of the Company, all of which have been applied consistently throughout the year, are set out below.

(1) Investments

Investments are stated at cost. Provision is made to write down the cost of investments where the directors consider that there is a permanent impairment in the value of those investments.

(2) Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

2. INTEREST RECEIVABLE	2004	2003
	£	£
Interest receivable on current asset investments	23,517	60,976
3. INTEREST PAYABLE	2004	2003
	£	£
Bank interest payable	163	-
Interest payable to group undertaking	195	-
	358	-
4. DIVIDENDS	2004	2003
	£	£
Interim dividend paid on A shares	1,055,000	4,000,000

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

There were no employees in the Company in the year ended 31 December 2004; (2003: nil).

The audit remuneration was borne by another group company.

LORIMER INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

6. TAXATION	2004	2003
	£	£
The tax charge for the year end comprises:		
United Kingdom: Current tax		
Group relief at 30%	6,948	-
Prior year adjustments	18,281	-
Corporation tax at 30%	-	18,281
Prior year adjustments	(18,281)	
Tax on profit on ordinary activities	6,948	18,281
Tax reconciliation:	2004	2003
	£	£
Profit on ordinary activities before taxation	23,159	60,937
Expected tax charge at 30% (2003: 30%)	(6,948)	(18,281)
Tax charge for the year	(6,948)	(18,281)
7. DEBTORS : amounts falling due within one year	2004	2003
	£	£
Called up share capital not paid	2	2
Accrued interest receivable	92	3,280
	94	3,282
8. INVESTMENTS	2004	2003
	£	£
Cash at bank and in hand	5,899	10,257
Term deposits	23,300	1,047,400
	29,199	1,057,657
9. CREDITORS: amounts falling due within one year	2004	2003
	£	£
Corporation tax payable	-	18,281
Group relief	9,229	-
Amounts owed to parent undertaking	16,195	-
	25,424	18,281

LORIMER INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

10. SHARE CAPITAL

	2004 £	2003 £
Authorised:		
10,000,000 A shares of £0.01 each	100,000	100,000
1,000 ordinary shares of £0.01 each	10	10
Allotted, issued and fully paid:		
50,000 A shares of £0.01 each	500	500
Allotted, issued and not fully paid:		
200 Ordinary shares of £0.01 each (nil paid)	2	2
	502	502

The directors declared and paid a dividend of £21.10 per A share on 13 July 2004.

The A shares rank pari passu in all respects with ordinary shares, save in respect of dividends and the application of the company's assets on a winding up or liquidation of the company. A shares have the right to receive dividends in preference to ordinary shares. On winding up of the company the surplus assets of the company will be applied first to ordinary shares and secondly to A share members.

11. RESERVES

	2004 Profit & Loss account £	2003 Share premium account £	2003 Profit & Loss account £	2003 Total £
At 1 January	1,042,156	-	-	-
Share issue	-	4,999,500	-	4,999,500
Transfer to reserves	-	(4,999,500)	4,999,500	-
Retained loss for the year	(1,038,789)	-	(3,957,344)	(3,957,344)
At 31 December	3,367	-	1,042,156	1,042,156

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
As at 1 January	1,042,658	-
Profit after tax	16,211	42,656
Issue of shares (including share premium)	-	5,000,002
Dividends paid	(1,055,000)	(4,000,000)
Equity shareholders' funds at 31 December	3,869	1,042,658

13. CASH FLOW STATEMENT

A cash flow statement has not been prepared as the Company is a subsidiary of TUI AG for which consolidated accounts are publicly available.

NOTES TO THE FINANCIAL STATEMENTS continued

14. COMPANY STATUS

Within the meaning of the Companies Act 1985, the Company's immediate parent undertaking is TUI Northern Europe Limited (TUI NE) and TUI AG is regarded by the directors of the Company as being the Company's ultimate parent company. Within the meaning of the said Act TUI AG is the parent undertaking of the largest group for which group accounts are drawn up and of which the Company is a member and TUI NE is the parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the Company is a member. TUI AG is incorporated under the laws of Germany. TUI NE is registered in England and Wales.

Copies of TUI AG's accounts are available from: Investor Relations, TUI AG Karl-Wiechert-Allee 4, D-30625 Hanover or on the TUI AG website address: www.tui.com.

15. RELATED PARTY TRANSACTIONS

Transactions with other companies within the Group are not disclosed as the Company has taken advantage of the exemption available under Financial Reporting Standard No. 8 'Related Party Disclosures', as the consolidated accounts of TUI AG in which the Company is included, are publicly available. The directors were paid an interim dividend of £21.10 per share in line with the holdings detailed in the directors' report.