

**First Choice Aviation Limited**

**Report and Financial Statements**

for the year ended

30 September 2009

Company number 3115443

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## **FIRST CHOICE AVIATION 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 First Choice Aviation Limited ("the Company") for the year ended 30 September 2009

#### **Principal activity**

The Company did not trade during the years ended 30 September 2009 or 30 September 2008

As part of a group-wide legal entry restructure on 1 October 2008, the Company transferred its trade, assets and liabilities to TUI UK Transport Limited. The value of assets and liabilities disposed of and consideration receivable is set out in Note 10.

#### **Results and dividends**

Due to the legal restructure as set out above there was no profit or loss on ordinary activities before taxation for the year ended 30 September 2009 (2008: nil). The sole transaction in the year relates to the legal restructure.

There were no dividends paid during the year (2008: £nil). The Directors do not recommend the payment of a final dividend.

#### **Business review**

The Company is exempt, by virtue of its size, from the requirement to include an enhanced business review.

#### **Directors**

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

First Choice Holidays and Flights Limited

A L John

J Walter

#### **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



**J Walter**

**Director**

Dated 22 June 2010

**Company Number 3115443**

## **FIRST CHOICE AVIATION 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

## **FIRST CHOICE AVIATION LIMITED**

### **Report of the independent auditor's to the members of First Choice Aviation Limited**

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We have audited the financial statements of First Choice Aviation Limited for the year ended 30 September 2009 set out on pages 4 to 8. 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 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 2009 and of its result 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.



Mick Davies (Senior Statutory Auditor)  
for and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants  
8 Salisbury Square  
London  
EC4Y 8BB

24 June 2010

**FIRST CHOICE AVIATION LIMITED**  
**Profit and loss account for the year ended 30 September 2009**

	Note	Year ended 30 September 2009 £'000	Year ended 30 September 2008 £'000
<b>Operating result</b>		-	-
Result on sale of net assets (Note 10)	2, 10	-	-
<b>Result on ordinary activities before taxation</b>	2	-	-
Tax on result on ordinary activities		-	-
<b>Result for the financial year</b>	9	-	-

The results stated above are all derived from discontinued operations

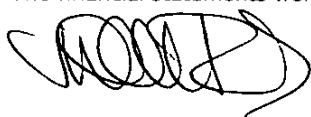
A note of historical cost profit and losses has not been included as part of these financial statements as the results as disclosed in the profit and loss account are prepared on an unmodified historical cost basis

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

**FIRST CHOICE AVIATION LIMITED**  
**Balance sheet at 30 September 2009**

		<b>30 September 2009</b>	<b>30 September 2008</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Current assets</b>			
Debtors	5	6,770,374	7,755,403
		<u>-</u>	<u>7,755,403</u>
<b>Creditors: amounts falling due within one year</b>	6	-	(985,029)
		<u>-</u>	<u>(985,029)</u>
<b>Net assets</b>		<u>6,770,374</u>	<u>6,770,374</u>
<b>Capital and reserves</b>			
Called up share capital	7	2,000	2,000
Profit and loss account	8	<u>6,768,374</u>	<u>6,768,374</u>
<b>Shareholders' funds- equity</b>	9	<u>6,770,374</u>	<u>6,770,374</u>

The financial statements were approved by the Board on 22 June 2010 and signed on their behalf by:



**J Walter**  
**Director**

## FIRST CHOICE AVIATION LIMITED

Notes forming part of the financial statements for the year ended 30 September 2009

### 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

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

#### 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

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the exchange rate ruling on the balance sheet date. Transactions in foreign currencies are recorded at the average rate for the month in which they take place. Differences arising due to exchange fluctuations have been reflected in the profit and loss account.

#### 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.

#### 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 wholly-owned entities that form part of the Group headed by TUI Travel PLC.

### 2. Result on ordinary activities before taxation

As part of a group-wide legal entity restructure on 1 October 2008, First Choice Aviation Limited transferred its trade, assets and liabilities to TUI UK Transport Limited (see Note 10). The fair value of the business was determined to be £6,770,374. The basis used for the valuation was the net book value of the assets as at 30 September 2008. There was no impact on the Profit and Loss account in 2009.

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.

**FIRST CHOICE AVIATION LIMITED****Notes forming part of the financial statements for the year ended 30 September 2009 (continued)****3. Staff costs (including Directors' remuneration)**

For the year ended 30 September 2009 and 2008, the Company did not employ any staff

**4. Directors' remuneration**

The Directors received no remuneration in respect of services to the Company in either the current or prior year

**5. Debtors**

	<b>30 September 2009 £</b>	<b>30 September 2008 £</b>
Amounts owed by group undertakings	6,770,374	7,753,403
Other Debtors	-	2,000
	<u><b>6,770,374</b></u>	<u><b>7,755,403</b></u>

Amounts owed by Group undertakings are unsecured and have no fixed date of repayment.

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

	<b>30 September 2009 £</b>	<b>30 September 2008 £</b>
Group relief payable	-	985,029

**7. Share capital**

	<b>30 September 2009 £</b>	<b>30 September 2008 £</b>
<i>Authorised</i>		
2,000 ordinary shares of £1 each	<u><b>2,000</b></u>	<u><b>2,000</b></u>
<i>Issued and fully paid</i>		
2,000 ordinary shares of £1 each	<u><b>2,000</b></u>	<u><b>2,000</b></u>

**8. Reserves**

	<b>Profit and loss account £</b>
1 October 2008	6,768,374
Result for the year	<u>-</u>
<b>At 30 September 2009</b>	<u><b>6,768,374</b></u>



**FIRST CHOICE AVIATION LIMITED**

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

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

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Opening shareholders' funds	6,770,374	6,770,374
Result for the financial year	-	-
<b>Closing shareholders' funds</b>	<b>6,770,374</b>	<b>6,770,374</b>

All shareholders' funds relate to equity interests

**10. Financial implications of the business transfers**

On 1 October 2008, the Company transferred its trade, assets and liabilities to TUI UK Transport Limited. Consideration of £6,770,371 was receivable, resulting in no profit or loss on disposal.

The assets and liabilities transferred are shown in the table below

	£
<b>At 1 October 2008</b>	
Debtors	7,755,403
<b>Total assets</b>	<b>7,755,403</b>
Creditors: amounts falling due within one year	(985,029)
<b>Total liabilities</b>	<b>(985,029)</b>
<b>Net assets</b>	<b>6,770,374</b>
Consideration receivable	6,770,374
<b>Profit on disposal</b>	<b>-</b>

**11. 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 Holidays & Flights 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).