First Choice Holiday Hypermarkets Limited

Directors' report and financial statements
for the year ended
30 September 2008

Registered number 3647615

Contents

Directors' report for the year ended 30 September 2008

The Directors present their annual report and the audited financial statements for First Choice Holiday Hypermarkets Limited ("the Company") for the year ended 30 September 2008.

Principal activity

The principal activity of the Company is that of a travel agency.

Enhanced Business Review

As part of a group wide legal entity restructure on 1 October 2008, First Choice Holiday Hypermarkets Limited transferred its retail trade, assets and liabilities to First Choice Retail Limited (First Choice Retail Limited then changed its name to TUI UK Retail Limited). Therefore the Thomson and First Choice brands commenced trading under TUI UK Retail Limited with effect from 1 October 2008.

As a result of this business transfer, all operations are therefore presented in these financial statements as discontinued.

The package holiday market during 2008 faced challenging trading conditions but the Directors believe that the Company is appropriately equipped to face the fast changing and challenging economic environment of 2009 and beyond.

Principal risks and uncertainties

During the year, the Directors managed the risks and uncertainties of the Company in co-ordination with its fellow subsidiaries in the TUI Travel PLC group of companies ("the Group"). The Directors review the Company's risks and uncertainties in the context of the 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 Group's Mainstream Sector. 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 is increasingly challenging. The Directors consider that the Company has, within the context of the Group, appropriate planning processes 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 the supplier's 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 interest of the indigenous population.

Directors' report *(continued)*

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.

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.

Key performance indicators

As the Directors manage the Company in co-ordination with the management of 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 of TUI Travel PLC, which includes the Company, is discussed in the Business Review within TUI Travel PLC's annual report, which does not form part of this report.

Employee matters

The Group operates a global portfolio of businesses, employing approximately 50,000 people across the Group – including Europe, the USA, Canada, Asia and Australia. Although businesses within the portfolio are at various stages of development and maturity, together we share a common vision and set of values. Our aim is to build the most capable and engaged teams to deliver optimum business performance and thereby support the goals of delivering high performance to create superior shareholder value and career fulfilment for all of our colleagues.

Our commitment is to:

- Engage employees in our aims and success – and in issues that affect them.
- Promote a positive workplace.
- Reward them in a way that is relevant to them and reflects their contribution to the Group's success.

Our Commitment to attracting, developing and retaining talent

We are proud of the commitment and dedication of our colleagues in delivering the levels of service and efficiency which make us stand out from our competitors. Everyone is valued for their skills and talents and every effort is made to support them to achieve their full potential. We are committed to using the most effective recruitment methods in the countries in which we operate and to building skills and knowledge in ways which suit both the business and out colleagues.

Our leadership capability is key to our success and we therefore continue to invest in developing our leaders. A number of our senior managers have had the opportunity of attending a leadership programme working in the community in Costa Rica. This is a Groupwide programme, which builds the skills and capability of those with the greatest responsibility for leadership and strategy, as well as supporting our sustainable tourism goals. There is also a Groupwide management programme targeted at middle management and an international trainee programme through which we recruit and develop young talent. Investment in the capability of our colleagues is a priority and they get the opportunity for dialogue on their training needs each year.

Everyone also has the opportunity to meet their line manager at least once annually to discuss their performance and to make plans for development in the coming year. A range of performance and development tools enable individuals to identify training opportunities, understand the role they play in our success and support the setting of personal objectives linked to our business plans.

Directors' report *(continued)*

Our Commitment to attracting, developing and retaining talent (continued)

Retaining key people is critical to our continued business success particularly in times of change. Talent across the Group is reviewed regularly at Board level and our focus is to retain and develop individuals to drive the business forward. We actively promote people to career opportunities across the Group to enhance the mix of professional, entrepreneurial and general management skills. To meet seasonal demands, where possible, we move our top performing frontline colleagues between retail, overseas representation and airline cabin crew roles. This develops a multi-skilled workforce with year-round experience of delivering service to our customers.

Rewarding people and valuing their contribution

We have a reward strategy developed around Groupwide principles ensuring alignment to our business objectives, with flexibility to enable successful local implementation across many differing geographies. Recognising and rewarding our colleagues in ways that are effective for them is a key driver for engagement and high performance. Our reward strategy includes base pay, competency pay, incentives, benefits and non-cash based rewards. We make every effort to measure the input and results of individuals and teams. Many people participate in share based incentives giving them an interest in the financial performance of the Group.

We encourage participation and meet our social and formal obligations through a wide range of representation forums. Opinion surveys, including a specific leadership survey across the Group's senior managers, are conducted to monitor our colleagues' knowledge of business direction, the level of engagement in our vision and values and views on the Group's practices and policies.

As a global Group we operate in many diverse cultures accept our responsibility to rule out discrimination on any grounds including ethnicity, gender, sexual orientation, disability and age. We continue to develop policies on non-discrimination and inclusiveness in line with best practice and, where possible, they are incorporated into training for line managers as a key part of induction programmes. Unfair treatment of any colleague is not tolerated and confidential reporting mechanisms are available through which colleagues can confidentially raise matters of this nature which may concern them.

Ensuring that everyone shares our aims and is involved in matters which affect them is a key challenging to which we are committed. People work with us in many countries around the world – a significant number of whom are engaged on a seasonal basis. A key priority is that we hire people who we believe share our passion for our customers and products. We then build engagement through involvement, consultation and by providing regular local and global updates in ways which suit our working environment and local cultures.

A Group extranet, 'Discover', enhances communications across the businesses within the Group. The website provides a central source where everyone can find external and internal information about our businesses, the sectors and the Group. This is in addition to, and complements, Sector communication tools and processes which are tailored to meet Sector specific needs.

Policy and practice on payment of creditors

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. Due to the nature of the Company's operations, and common to the industry as a whole, payments are often made in advance of the provision of goods and services. The Company has not calculated the average creditor settlement period as, due to the differing terms in force, any such average would not be comparable.

Directors' report *(continued)*

Results and dividends

The result for the year ended 30 September 2008 is shown in the profit and loss account on page 7. The loss for the year transferred to reserves is £1,412,000 *(2007:Profit £91,000).* No dividends were paid in the year (11-month period 30 September 2007: *£nil*). The directors do not recommend the payment of a final dividend (2007: *£nil*).

Directors

The Directors at the date of this report were:

A L John	(appointed 15 October 2007)
J Walters	(appointed 15 October 2007)
P R Tymms	(appointed 30 June 2008)
N W Longman	(resigned 15 October 2007 / re-appointed 31 Aug 2008)
I J Strachan	(appointed 10 October 2008)

Other Directors who served during the year were:

C F Powell	(resigned on 1 November 2007)
D Jones	(appointed 15 October 2007 / resigned on 31 Aug 2008)
A M Swinson	(resigned on 30 June 2008)

Directors insurance

The intermediate parent company, TUI Travel PLC, maintains Directors' & Officers' Liability insurance policies on behalf of the Directors of the Company.

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

P R Tymms
Director

TUI Travel House
Crawley Business Quarter
Fleming Way
Crawley
West Sussex
RH10 9QL

7 April 2009

Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements for the year ended 30 September 2008

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).

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a 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.

Independent auditor's report to the members of First Choice Holiday Hypermarkets Limited

We have audited the financial statements of First Choice Holiday Hypermarkets Limited for the year ended 30 September 2008 which comprise the profit and loss account, the balance sheet, and the reconciliation of movement in shareholders' funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditor's 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

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 September 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square, London, EC4Y 8BB

8th April 2009

Profit and loss account
for the year ended 30 September 2008

	Note	Year ended 30 September 2008 £000	11-month period ended 30 September 2007 £000
Turnover	*1*	**46,530**	43,863
Net operating costs		**(47,044)**	(42,645)
Operating (loss) / profit		**(514)**	1,218
Loss on disposal of fixed assets		**(21)**	
(Loss) / profit on ordinary activities before taxation	2	**(535)**	1,218
Tax on (loss) / profit on ordinary activities	*4*	**(877)**	(1,127)
(Loss) / profit for the financial year / period	*12*	**(1,412)**	91

Following the business transfer on 1 October 2008 described in note 16, all results for the current year and comparative period relate to discontinued operations.

There are no other recognised gains or losses arising in the current year or prior period. Consequently no statement of recognised gains or losses has been presented.

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.

Balance sheet
at 30 September 2008

	Note	30 September 2008 £000	30 September 2007 £000
Fixed assets			
Intangible assets	5	26,667	29,612
Tangible assets	6	17,284	19,575
		43,951	49,187
Current assets			
Debtors	7	80,391	83,340
Cash at bank and in hand		3,069	2,714
		83,460	86,054
Creditors: amounts falling due within one year	8	(64,981)	(71,039)
Net current assets		18,479	15,015
Total assets less current liabilities		62,430	64,202
Creditors: amounts falling due after one year	9	(25,819)	(25,819)
Provisions for liabilities and charges	10	(977)	(1,337)
Net assets		35,634	37,046
Capital and reserves			
Share capital	11	16,080	16,080
Share premium	12	41,943	41,943
Profit and loss account	12	(22,389)	(20,977)
Equity shareholders' funds		35,634	37,046

These financial statements were approved by the Board of Directors on 7 April 2009 and were signed on its behalf by:

PMTymms

P Tymms
Director

Reconciliation of the movement in shareholders' funds
for the year ended 30 September 2008

	Year ended 30 September 2008	11-montth period ended 30 September 2007
	£000	£000
Opening shareholders' funds	**37,046**	36,955
(Loss) / profit for the year / period	**(1,412)**	91
Closing shareholders' funds	**35,634**	37,046

Notes

(forming part of 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 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.

Related party transaction

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 related party transactions or balances with entities that form part of the group headed by TUI Travel PLC

Turnover

Turnover is the total amount receivable by the Company for commissions earned and services provided, excluding VAT and trade discounts. Commission earned in respect of in house product is recognised on the date of departure and the related costs are charged to the profit and loss account on the same basis. Commission earned from the sale of third party product, together with related costs, are recognised on receipt of final payment.

Goodwill

Purchased goodwill is amortised to nil by equal instalments over its estimated useful life, normally 20 years.

Licences

Licences purchased by the Company are amortised to nil by equal annual instalments over their useful economic lives.

Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost less the estimated residual value of all tangible fixed assets over their expected useful lives. The rates and periods generally applicable are:

Leasehold property	Over the lease term
Computers	5 years straight line
Furniture and equipment	8 years straight line

Contributions to pension funds

The Group operates a defined contribution pension scheme and charges are made to the Company for staff employed. Pension liabilities are charged to the profit and loss account as they fall due.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the balance sheet date. All exchange differences arising are included in the profit and loss account.

Deferred taxation

Except as otherwise required by accounting standards, full provision without discounting is made for all 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.

Notes *(continued)*

Leased assets

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

2 (Loss) / profit on ordinary activities before taxation

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

	Year ended 30 September 2008 £000	11-month period ended 30 September 2007 £000
After charging:		
Depreciation and other amounts written off tangible and intangible fixed assets:		
- Owned assets	**1,836**	1,797
- Goodwill amortisation	**2,099**	1,925
- Licences amortisation	**846**	775
- Loss on disposal of fixed assets	**21**	-
Operating leases – land and buildings	**8,636**	8,248

The whole of the turnover and (loss) / profit before taxation derives from the Company's principal activity within the United Kingdom.

In 2008 and 2007, auditor's remuneration was paid by another Group company. The audit fee relating to the Company was as follows:

	Year ended 30 September 2008 £000	11-month period ended 30 September 2007 £000
Fees for the audit of the Company	**16**	15

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 financial statements of the Company's intermediate parent company TUI Travel PLC.

3 Staff numbers and costs

The average number of persons employed by the Company during the year, analysed by category, was as follows:

	Year ended 30 September 2008 Number	11-month period ended 30 September 2007 Number
Sales team / representatives	**840**	808

The aggregate payroll costs of these persons were as follows:

	Year ended 30 September 2008 £000	11-month period ended 30 September 2007 £000
Wages and salaries	**10,120**	9,505
Social security costs	**971**	886
Other pension costs (note 14)	**49**	48
	11,140	10,439

All directors are remunerated by fellow group companies. A management charge is made by fellow group companies to cover the Company's share of such operating costs.

Notes *(continued)*

4 Taxation

The tax charge in the year / period can be summarised as follows:

	Year ended 30 September 2008	11-month period ended 30 September 2007
(i) Analysis of charge in the year / period	**£000**	£000
Current tax:		
UK corporation tax on profits	**1,237**	2,031
Adjustments in respect of prior periods:		
- permanent	**-**	64
Total current tax	**1,237**	2,095
Deferred tax:		
Origination and reversal of timing differences:		
- current year UK	**(359)**	(572)
- adjustment in respect of previous periods	**(1)**	(260)
- effect of reduction in UK corporate tax rate from 30% to 28%	**-**	(136)
Total deferred tax (see note 10)	**(360)**	(968)
Tax on profit on ordinary activities	**877**	1,127

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

The current tax charge for the period is higher *(2007: higher)* than the standard rate of UK corporation tax of 29% *(2007: 30%)*. The differences are explained below:

	Year ended 30 September 2008 £000	11-month period ended 30 September 2007 £000
(Loss) / profit on ordinary activities before tax	**(535)**	1,218
(Loss) / profit on ordinary activities at the standard rate of corporation tax in the UK of 29% *(2007: 30%)*	**(155)**	365
Effects of:		
- expenses not deductible for tax purposes	**854**	810
- depreciation in excess of capital allowances for the period	**378**	613
- depreciation on non-qualifying assets	**160**	123
- loss on disposal on non-qualifying assets	**-**	120
- adjustment to tax charge in respect of previous periods	**-**	64
Current tax charge for the year / period	**1,237**	2,095

(iii) Factors that may affect future tax charges

The rate of taxation is expected to follow the standard rate of UK corporation tax in future periods. With effect from 1 April 2008, the UK statutory rate of corporation tax reduced to 28%. This has resulted in a blended standard statutory rate of UK tax of 29% in the year ended 30 September 2008 which will reduce to 28% in future years.

Notes *(continued)*

5 Intangible fixed assets

	Goodwill £000	Licence £000	Total £000
Cost			
As at 1 Ocotber 2007 and 30 September 2008	**41,993**	**9,300**	**51,293**
Amortisation			
As at 1 October 2007	18,722	2,959	21,681
Provided in the year	2,099	846	2,945
At 30 September 2008	**20,821**	**3,805**	**24,626**
Net book value			
As at 30 September 2008	**21,172**	**5,495**	**26,667**
As at 30 September 2007	23,270	6,342	29,612

6 Tangible fixed assets

	Short leasehold properties £000	Computer, furniture and equipment £000	Total £000
Cost			
As at 1 October 2007	26,855	6,845	33,700
Additions in the period	990	81	1,071
Disposals	(2,387)	(115)	(2,502)
As at 30 September 2008	**25,458**	**6,811**	**32,269**
Depreciation			
As at 1 October 2007	8,248	5,877	14,125
Charge for the year	1,439	397	1,836
Disposals	(880)	(96)	(976)
As at 30 September 2008	**8,807**	**6,178**	**14,985**
Net book value			
As at 30 September 2008	**16,651**	**633**	**17,284**
As at 30 September 2007	18,607	968	19,575

Notes *(continued)*

7 Debtors

	30 September 2008 £000	30 September 2007 £000
Trade debtors	249	427
Amounts owed by group undertakings	72,942	71,888
Prepayments and accrued income	4,965	6,457
Group relief	2,235	2,235
Other debtors	-	2,333
	80,391	83,340

All debtors are due within one year

8 Creditors: amounts falling due within one year

	30 September 2008 £000	30 September 2007 £000
Trade creditors	29,782	36,215
Amounts owed to group undertakings	27,907	30,327
Group relief	3,495	2,258
Other creditors	528	530
Other tax and social security costs	3,139	1,587
Accruals and deferred income	130	122
	64,981	71,039

9 Creditors: amounts falling due after more than one year

	30 September 2008 £000	30 September 2007 £000
Amounts owed to group undertakings	25,819	25,819

10 Provisions for liabilities and charges

	Deferred taxation £000
As at 1 October 2007	1,337
Utilised in the period	(359)
Adjustment in respect of prior periods	(1)
As at 30 September 2008	**977**

The net deferred tax position as at 30 September 2008 is as follows:

	30 September 2008 £000	30 September 2007 £000
Accelerated capital allowances	977	1,337

There is no unprovided deferred taxation at either 30 September 2008 or 30 September 2007.

Notes *(continued)*

11 Share capital

	30 September 2008 £000	30 September 2007 £000
Authorised		
500,000 deferred ordinary shares of £1 each	**500**	500
19,500,000 ordinary shares of £1 each	**19,500**	19,500
	20,000	20,000
Allotted, called up and fully paid		
500,000 deferred ordinary shares of £1 each	**500**	500
15,580,000 ordinary shares of £1 each	**15,580**	15,580
	16,080	16,080

Non-equity interests in shareholders' funds are analysed by class of share as follows:

	30 September 2008 £000	30 September 2007 £000
Deferred ordinary shares of £1 each	**500**	500

12 Share premium and profit and loss account

	Share premium account £000
At 1 October 2007 and 30 September 2008	41,943

	Profit and loss account £000
1 October 2007	(20,977)
Loss for the year	(1,412)
At 30 September 2008	**(22,389)**

Notes *(continued)*

13 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	30 September 2008 Leasehold buildings £000	30 September 2007 Leasehold buildings £000
Operating leases which expire:		
Over five years	**8,129**	9,018
	8,129	9,018

Capital commitments at the end of the financial year for which no provision has been made are as follows:

	30 September 2008 £000	30 September 2007 £000
Contracted but not provided for	**-**	450
Authorised but not contracted or provided for	**-**	-
	-	450

14 Pensions

The Company participates in the First Choice Holidays Limited defined contribution pension scheme. The pension costs charged for the year represents contributions payable by the Company to the fund and amounted to £49,228 (11-month period ended 30 September *2007: £48,194*). The assets of the scheme are administered by trustees in a fund independent from those of the Company.

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. With effect from 1 October 2008 the immediate parent undertaking is TUI UK 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 on the TUI website: www.tui-group.com

16 Post balance sheet events

As part of a group wide legal entity restructure on 1 October 2008, First Choice Holiday Hypermarkets Limited transferred its retail trade, assets and liabilities to First Choice Retail Limited (First Choice Retail Limited then changed its name to TUI UK Retail Limited). Therefore the Thomson and First Choice brands commenced trading under TUI UK Retail Limited with effect from 1 October 2008.