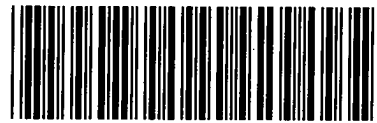


**TUI Travel Overseas Holdings Limited**  
**Reports of the Directors and financial statements**  
**for the year ended 30 September 2014**  
**Company number 4998708**

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The Directors present their report and the audited financial statements of TUI Travel Overseas Holdings Limited ("the Company") for the year ended 30 September 2014.

### **STRATEGIC REPORT**

The principal activity of the Company continued to be that of an intermediate holding company within the TUI Travel PLC group of companies ("the Group").

On 11 December 2014 the merger of TUI Travel PLC, the Company's intermediate parent company, and TUI AG, the Company's ultimate parent company, became effective in accordance with the terms of a scheme of arrangement made under Part 26 of the Companies Act 2006 and TUI Travel PLC is now wholly-owned by TUI AG.

On 19 January 2015, following the re-registration of TUI Travel PLC as a private limited company, TUI Travel PLC changed its name to TUI Travel Limited. References to TUI Travel PLC within this Directors' Report and the financial statements are therefore synonymous with TUI Travel Limited with effect from this date.

### **Review of the business**

The Company's direct and indirect trading subsidiaries are mainly overseas tour operating and destination and services businesses across the Group together with their intermediate holding companies. A list of the principal subsidiary undertakings is provided in Note 7 of these financial statements.

Since the Company is an intermediate parent company, the Company's business performance and key performance indicators are driven by both the underlying operating performance of its subsidiaries and the capital structure of the Company. Amounts written off investments for the year ended 30 September 2014 totalled £2,342,465 (2013: £2,337,856) following reviews of the carrying value of all its investments, further details of which are included in Note 7 of these financial statements.

During the year the Company increased its investments by £23,729,225, including a total of £20,908,519 being invested through the year in Travel Choice Limited and subsequently invested by Travel Choice Limited into the joint venture BARTU in connection with the acquisition of a plot of land and construction of hotels. Details of the Company's investments, including additions are provided in Note 7 of the financial statements. These investments were funded via the issuance of 23,813,758 ordinary £1 shares to its parent company TUI Travel PLC during the year for total consideration of £23,813,758, details of which can be found in Note 10.

Total interest payable for the year totalled £7,885,516 (2013: £4,944,751) on bank loans and amounts owed to Group undertakings (including intra-group loans) as at 30 September 2014 of £99,087,682 (2013: £87,389,518), details of which are in Note 9 of these financial statements.

The Company's loss on ordinary activities before taxation for the year ended 30 September 2014 was £10,143,515 (2013: £7,292,790 loss). No dividends were paid during the year (2013: £nil) and the Directors do not recommend the payment of a final dividend.

At 30 September 2014, the Company had net assets of £51,066,471 (2013: £34,045,371). The financial statements are prepared on the going concern basis as the ultimate parent company, TUI AG, has agreed to provide financial support to the Company in order that it can continue to trade and meet its liabilities as they fall due.

To effectively measure the development, performance and position of the Company, the following Key Performance Indicators (KPIs) are of most relevance.

|                                             | Year ended        |  | Year ended        |
|---------------------------------------------|-------------------|--|-------------------|
|                                             | 30 September 2014 |  | 30 September 2013 |
|                                             | £                 |  | £                 |
| Loss on ordinary activities before taxation | (10,143,515)      |  | (7,292,790)       |
| Net assets                                  | 51,066,471        |  | 34,045,371        |

**Review of the business (continued)**

As the Company does not employ personnel or provide tour operating services itself, analysis of the Company's performance using KPIs relating to environmental and employee matters are not considered relevant.

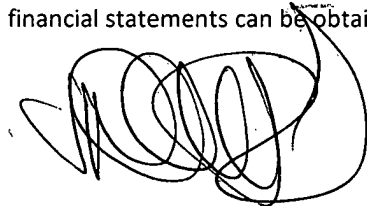
The Directors consider the future outlook of the Company to be satisfactory. Details of post balance sheet events are included in Note 13 of these financial statements.

**Principal risks and uncertainties**

The principal risks and uncertainties facing the Company are:

- **Profitability of the Company's subsidiaries and dividends received.** Dividends received from the Company's subsidiaries are variable and the timing and amount of each dividend is dependent upon the long-term success and profitability of each subsidiary. Since the majority of the Company's profits are generated by dividends received from its subsidiaries, the Company's profitability from one year to another can therefore vary significantly.
- **Recoverability of the carrying value of investments.** The Company provides capital to its subsidiary undertakings when necessary in order to promote their long-term development and success. The recoverability of each investment will depend upon this long-term success and the future cash flows that are expected to be generated by each subsidiary. To the extent that the future cash flows do not support the carrying value of the investment, an impairment is required to be recognised in the Company's profit and loss account.
- **Capital structure and funding.** The Company is dependent upon access to funding in the form of both capital from its immediate parent company and a long-term interest-bearing loan from a fellow Group subsidiary. To the extent that funding of the Company is by way of a long term loan, the profitability of the Company is dependent upon the rate of interest charged, which is periodically re-set to ensure it remains at market levels. An increase in market rates would therefore reduce the profitability of the Company.

Throughout the financial year, the directors of the ultimate parent undertaking, TUI Travel PLC managed the Group's risk and performance. For this reason, a fair review of the development, performance and position of the Company's subsidiaries is included in the Business and Financial Review section on pages 57-60 of the TUI Travel PLC annual report and accounts. The principal risks and uncertainties of the Group, together with how these are mitigated, can be found on pages 44-50 of the TUI Travel PLC annual report and accounts. Details of where these financial statements can be obtained are in the ultimate parent company note in these financial statements.



J Walter  
Director

Company Number 4998708

Dated 23 June 2015

## **DIRECTORS' REPORT**

### **Directors**

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

J Walter

T Woelke (appointed 21 January 2015)

RS Wheatley also served as Director and resigned on 23 January 2015.

### **Independent auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

### **Directors' insurance**

Throughout the financial year and until 11 December 2014, the intermediate parent company, TUI Travel PLC, maintained Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company. From 12 December 2014 until the date of approval of these financial statements, the ultimate parent company, TUI AG, maintained these insurance policies. These policies meet the Companies Act 2006 definition of a qualifying third party indemnity provision.

### **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.

### **Statement of Directors' responsibilities**

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 the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

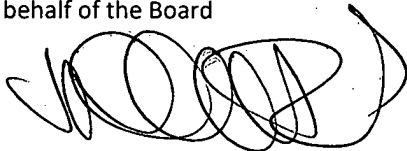
In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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.

**Statement of Directors' responsibilities (continued)**

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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board

A handwritten signature in black ink, consisting of several loops and a final vertical stroke, positioned below the text 'On behalf of the Board'.

**J Walter**  
**Director**

Company Number 4998708

Dated 23 June 2015

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## **Report on the financial statements**

### **Our opinion**

In our opinion, TUI Travel Overseas Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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### **What we have audited**

TUI Travel Overseas Holdings Limited's financial statements comprise:

- the Balance sheet as at 30 September 2014;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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### **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.

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### **Other matters on which we are required to report by exception**

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#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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## **Responsibilities for the financial statements and the audit**

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### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' responsibilities set out on pages 3 and 4, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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### **What an audit of financial statements involves**

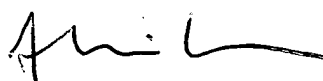
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the reports of the Directors and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Archie Wilson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge

24 June 2015

**TUI Travel Overseas Holdings Limited**  
**Profit and loss account for the year ended 30 September 2014**

|                                                    |      | Year ended<br>30 September<br>2014<br>£ | Year ended<br>30 September<br>2013<br>£ |
|----------------------------------------------------|------|-----------------------------------------|-----------------------------------------|
|                                                    | Note |                                         |                                         |
| Administrative expenses                            |      | (795,592)                               | (13,206)                                |
| <b>Operating loss</b>                              |      | <b>(795,592)</b>                        | <b>(13,206)</b>                         |
| Income from shares in Group undertakings           | 2    | 880,036                                 | -                                       |
| Interest receivable and similar income             | 3    | 22                                      | 3,023                                   |
| Amounts written off investments                    | 7    | (2,342,465)                             | (2,337,856)                             |
| Interest payable and similar charges               | 4    | (7,885,516)                             | (4,944,751)                             |
| <b>Loss on ordinary activities before taxation</b> | 2    | <b>(10,143,515)</b>                     | <b>(7,292,790)</b>                      |
| Tax on loss on ordinary activities                 | 5    | 3,350,857                               | 1,164,409                               |
| <b>Loss for the financial year</b>                 | 11   | <b>(6,792,658)</b>                      | <b>(6,128,381)</b>                      |

The results stated above are all derived from continuing operations.

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

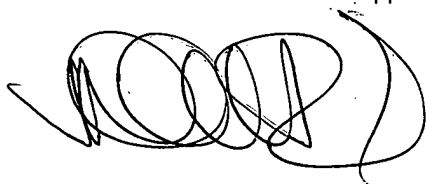
The Company has no recognised gains and losses other than those included in the profit and loss account. Accordingly no statement of total recognised gains and losses is presented.

**TUI Travel Overseas Holdings Limited**  
**Balance sheet as at 30 September 2014**

|                                                                |             | <b>30 September<br/>2014</b> | <b>30 September<br/>2013</b> |
|----------------------------------------------------------------|-------------|------------------------------|------------------------------|
|                                                                | <b>Note</b> | <b>£</b>                     | <b>£</b>                     |
| <b>Fixed assets</b>                                            |             |                              |                              |
| Intangible fixed assets                                        | 6           | 115,312                      | 126,654                      |
| Investments                                                    | 7           | 102,697,943                  | 81,311,658                   |
|                                                                |             | <u>102,813,255</u>           | <u>81,438,312</u>            |
| <b>Current assets</b>                                          |             |                              |                              |
| Debtors                                                        | 8           | 47,280,751                   | 40,634,900                   |
| Cash at bank and in hand                                       |             | 60,147                       | 1,915,193                    |
|                                                                |             | <u>47,340,898</u>            | <u>42,550,093</u>            |
| <b>Creditors: amounts falling due within one year</b>          | 9           | <u>(14,770,851)</u>          | <u>(89,943,034)</u>          |
| <b>Net current assets / (liabilities)</b>                      |             | <b>32,570,047</b>            | <b>(47,392,941)</b>          |
| <b>Total assets less current liabilities</b>                   |             | <u>135,383,302</u>           | <u>34,045,371</u>            |
| <b>Creditors: amounts falling due after more than one year</b> | 10          | <u>(84,316,831)</u>          | -                            |
| <b>Net assets</b>                                              |             | <u><u>51,066,471</u></u>     | <u><u>34,045,371</u></u>     |
| <b>Capital and reserves</b>                                    |             |                              |                              |
| Called up share capital                                        | 11          | 65,600,539                   | 41,786,781                   |
| Profit and loss account                                        | 12          | (14,534,068)                 | (7,741,410)                  |
| <b>Total shareholders' funds</b>                               | 13          | <u><u>51,066,471</u></u>     | <u><u>34,045,371</u></u>     |

The notes on pages 6 to 12 form part of these financial statements.

The financial statements were approved by the Board on 23 June 2015 and signed on their behalf by:



**J Walter**  
**Director**

## **1. Accounting policies**

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

### **Basis of preparation**

These financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. 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.

### **Going concern**

At 30 September 2014 and 2013, the Company had net current liabilities. The financial statements are prepared on the going concern basis as the ultimate parent company, TUI AG, has agreed to provide financial support to the Company in order that it can continue to trade and meet its liabilities as they fall due, for a period of at least 12 months from the date of approval of these financial statements.

### **Investments**

Investments are stated at cost less provision for diminution in value. The carrying amounts of the Company's investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If such an indication exists, the investment's recoverable amount is estimated. An impairment loss is recognised in the profit and loss account whenever the carrying amount of an investment exceeds its recoverable amount.

### **Foreign currency translation**

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 date or at a contractual rate if applicable. Any exchange differences arising are taken to the profit and loss account.

### **Taxation**

Taxation comprises current tax. Current tax is the expected tax payable (or recoverable) for the current period, and any adjustment to tax payable in respect of previous periods, using tax rates enacted or substantively enacted at the balance sheet date.

### **Licences**

Licences are stated at historical purchase cost less accumulated amortisation. Amortisation of licences are charged on a straight-line basis over the licence period.

## **2. Loss on ordinary activities before taxation**

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

|                                          | Year ended<br>30 September<br>2014<br>£ | Year ended<br>30 September<br>2013<br>£ |
|------------------------------------------|-----------------------------------------|-----------------------------------------|
| Impairment of investments (Note 7)       | (2,342,465)                             | (2,337,856)                             |
| Amortisation of intangible fixed assets  | (11,342)                                | (11,342)                                |
| Income from shares in group undertakings | 880,036                                 | -                                       |
| Management charges                       | 782,403                                 | -                                       |

**2. Loss on ordinary activities before taxation (continued)**

Income from shares in Group undertakings represents a dividend of £632,525 (2013: £nil) from Magic Life Hotels SL prior to its liquidation and a distribution on the dissolution of Magic Life Hotels SL of £165,349, plus dividends of £82,162 (2013: £nil) received from Tantar Turizm Seyahat AS.

In 2014 and 2013, the auditors' remuneration was borne by another Group company. It has not been possible to separately identify the audit fee related to this entity.

There were no employees of the Company in the years ending 30 September 2014 and 2013.

The remuneration of the Directors was paid by another Group company, which makes no recharge to the Company, and the Directors received no remuneration for their services as Directors of the Company. These Directors are also Directors of a number of companies within the Group, and it is therefore not possible to make an apportionment of their remuneration in respect of the Company and each of the Group companies of which they are a Director.

**3. Interest receivable and similar income**

|                        | Year ended<br>30 September<br>2014<br>£ | Year ended<br>30 September<br>2013<br>£ |
|------------------------|-----------------------------------------|-----------------------------------------|
| Bank interest received | <u>22</u>                               | <u>3,023</u>                            |

**4. Interest payable and similar charges**

|                               | Year ended<br>30 September<br>2014<br>£ | Year ended<br>30 September<br>2013<br>£ |
|-------------------------------|-----------------------------------------|-----------------------------------------|
| Foreign exchange loss         | 2,787,481                               | 990,966                                 |
| Bank loans and overdrafts     | 43,697                                  | 11,409                                  |
| Payable to Group undertakings | <u>5,054,338</u>                        | <u>3,942,376</u>                        |
|                               | <u>7,885,516</u>                        | <u>4,944,751</u>                        |

**5. Tax on loss on ordinary activities****(i) Analysis of tax (credit) / charge in the year**

|                                                               | Year ended<br>30 September<br>2014<br>£ | Year ended<br>30 September<br>2013<br>£ |
|---------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Current tax:                                                  |                                         |                                         |
| - Amount receivable from fellow subsidiaries for group relief | (1,909,839)                             | (1,164,409)                             |
| - Adjustments in respect of prior periods                     | (1,453,342)                             | -                                       |
| - Foreign tax suffered                                        | 12,324                                  | -                                       |
| <b>Total current tax</b>                                      | <u>(3,350,857)</u>                      | <u>(1,164,409)</u>                      |
| <br><b>Tax credit on loss on ordinary activities</b>          | <br><u>(3,350,857)</u>                  | <br><u>(1,164,409)</u>                  |

**5. Tax on loss on ordinary activities (continued)****(ii) Factors affecting the current tax credit for the year**

The current tax credit (2013: credit) for the year is higher than (2013: lower than) the standard rate of corporation tax in the UK of 22% (2013: 23.5%). The differences are shown below:

|                                                                                             | Year ended<br>30 September<br>2014<br>£ | Year ended<br>30 September<br>2013<br>£ |
|---------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Loss on ordinary activities before taxation                                                 | <u>(10,143,515)</u>                     | <u>(7,292,790)</u>                      |
| Loss on ordinary activities at the standard rate of UK corporation tax of 22% (2013: 23.5%) | (2,231,573)                             | (1,713,806)                             |
| Effects of:                                                                                 |                                         |                                         |
| - Expenses not deductible for tax purposes                                                  | 515,342                                 | 549,397                                 |
| - Income not taxable                                                                        | (193,608)                               | -                                       |
| - Foreign tax suffered                                                                      | 12,324                                  | -                                       |
| - Adjustments in respect of prior year                                                      | <u>(1,453,342)</u>                      | <u>-</u>                                |
| <b>Current tax credit for year</b>                                                          | <u><b>(3,350,857)</b></u>               | <u><b>(1,164,409)</b></u>               |

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

The rate of taxation is expected to follow the standard rate of UK corporation tax in future periods.

At the balance sheet date, the Finance Act 2013 had been enacted confirming that the main UK corporation tax rate will reduce to 20% with effect from 1 April 2015. This reduction may also reduce the Company's future current tax charges accordingly.

There are no unrecognised deferred tax assets nor unprovided deferred tax liabilities at either 30 September 2014 or 30 September 2013.

**6. Intangible assets**

|                                             | Licences<br>£          |
|---------------------------------------------|------------------------|
| <b>Cost:</b>                                |                        |
| <b>1 October 2013 and 30 September 2014</b> | <u><b>170,132</b></u>  |
| <b>Accumulated amortisation:</b>            |                        |
| 1 October 2013                              | (43,478)               |
| Charge for the year                         | (11,342)               |
| 30 September 2014                           | <u><b>(54,820)</b></u> |
| <b>Net book value :</b>                     |                        |
| <b>30 September 2014</b>                    | <u><b>115,312</b></u>  |
| 30 September 2013                           | <u>126,654</u>         |

The Company purchased a 15-year licence in January 2010 to use the Williment Travel Group Limited (a fellow Group subsidiary) trademarks. Amortisation of the licence is charged on a straight-line basis over the licence period.

## 7. Investments

|                                | Investments<br>in subsidiary<br>undertakings<br>£ |
|--------------------------------|---------------------------------------------------|
| <b>Cost:</b>                   |                                                   |
| As at 1 October 2013           | 83,649,514                                        |
| Additions                      | 23,729,225                                        |
| Disposals                      | (475)                                             |
| <b>As at 30 September 2014</b> | <b>107,378,264</b>                                |
| <b>Impairments:</b>            |                                                   |
| As at 1 October 2013           | (2,337,856)                                       |
| Impairments in the year        | (2,342,465)                                       |
| <b>As at 30 September 2014</b> | <b>(4,680,321)</b>                                |
| <b>Net book value:</b>         |                                                   |
| <b>As at 30 September 2014</b> | <b>102,697,943</b>                                |
| As at 30 September 2013        | 81,311,658                                        |

Additions in investments comprise the following transactions which occurred during the year ended 30 September 2014:

| Date of acquisition | Investment                                                            | Shares acquired<br>(number) | Total<br>consideration<br>£ |
|---------------------|-----------------------------------------------------------------------|-----------------------------|-----------------------------|
| 25 October 2013     | Travel Choice Limited                                                 | 12,786,000                  | 12,786,000                  |
| 8 November 2013     | Meetings and Events International Limited                             | 194,000                     | 194,000                     |
| 13 November 2013    | Meetings and Events International Limited                             | 135,000                     | 135,000                     |
| 16 December 2013    | Meetings and Events International Limited                             | 449,500                     | 449,500                     |
| 2 January 2014      | TT Hotels Italia S.r.l                                                | 10,000                      | 9,101                       |
| 29 January 2014     | Itaria Limited                                                        | 2,000                       | 82,739                      |
| 29 January 2014     | Societe D'Investissement et D'Exploitation Du<br>Paladien Calcatoggio | 120,000                     | 82,739                      |
| 24 February 2014    | Travel Choice Limited                                                 | 4,113,214                   | 4,113,214                   |
| 10 April 2014       | Meetings and Events International Limited                             | 796,232                     | 796,232                     |
| 23 April 2014       | Karisma Hotels Adriatic D.O.O. (33% holding)                          | 1                           | 1,071,395                   |
| 26 June 2014        | Travel Choice Limited                                                 | 4,009,305                   | 4,009,305                   |
|                     |                                                                       |                             | <b>23,729,225</b>           |

### Amounts provided during the year:

Following a review of the recoverable value of the Company's investments, the following impairments have been charged to the profit and loss account in the year:

|                                                                    | £                |
|--------------------------------------------------------------------|------------------|
| Alkor Yat Turizm Isletmeciligi AS                                  | 49,685           |
| Meetings and Events International Limited                          | 1,574,732        |
| TUI Holdings (Australia) Pty Limited                               | 552,570          |
| Societe D'Investissement et D'Exploitation Du Paladien Calcatoggio | 82,739           |
| Itaria Limited                                                     | 82,739           |
|                                                                    | <b>2,342,465</b> |

An impairment of £49,685 has been charged in respect of the investment in Alkor Yat Turizm Isletmeciligi AS so as to reduce the net book value to £nil, as this is considered to be the recoverable value.

An impairment of £1,574,732 has been charged in respect of the investment in Meetings and Events International Limited so as to reduce the net book value to £nil, as this is considered to be the recoverable value following a review of the future profitability of that company.

**7. Investments (continued)**

An impairment of £552,570 has been charged in respect of the investment in TUI Holdings (Australia) Pty Limited so as to reduce the net book value to £9,868,000, as this is considered to be the recoverable value. This amount has been calculated using that company's five-year plan, using a pre-tax discount rate of 10.8% and a growth rate beyond the five year plan of 2.20%. The pre-tax discount rate of 10.8% includes an additional risk premium adjustment to cashflows of 0.8%.

An impairment of £82,739 has been charged in respect of the investment in Societe D'Investissement et D'Exploitation Du Paladien Calcatoggio so as to reduce the net book value to £nil, as this is considered to be the recoverable value.

An impairment of £82,739 has been charged in respect of the investment in Itaria Limited so as to reduce the net book value to £nil, as this is considered to be the recoverable value.

Following the impairments charged to the profit and loss during the year, the Directors believe that the book values of the investments are supported by their underlying net assets.

**Investment in principal subsidiary undertakings**

| Name                                                                                            | % ownership<br>of ordinary<br>shares | Country of<br>incorporation | Principal activity        |
|-------------------------------------------------------------------------------------------------|--------------------------------------|-----------------------------|---------------------------|
| Blue Diamond Hotels and Resorts Inc.                                                            | 49                                   | Barbados                    | Holding company           |
| Intercoast Shoreside & Port Services Canada, Inc.                                               | 100                                  | Canada                      | Destination management    |
| Jetair Travel Distribution N.V.                                                                 | 51                                   | Belgium                     | Tour operating            |
| Karisma Hotels Adriatic D.O.O                                                                   | 33.3                                 | Croatia                     | Hotel operator            |
| Magic Hotels S.A.                                                                               | 100                                  | Tunisia                     | Hotel operator            |
| Magic Tourism International S.A.                                                                | 97                                   | Tunisia                     | Hotel operator            |
| Meetings & Events International Limited                                                         | 100                                  | UK                          | Holding company           |
| Travel Choice Limited                                                                           | 100                                  | UK                          | Holding company           |
| TUI Holdings (Australia) Pty Limited                                                            | 100                                  | Australia                   | Holding company           |
| TT Hotels Italia S.R.L.                                                                         | 100                                  | Italy                       | Hotel operator            |
| TT Hotels Turkey Otel Hizmetleri                                                                |                                      |                             |                           |
| Turizm Ve Ticaret AS (previously called Magic Life Der Club International Turizm Hizmetleri AS) | 100                                  | Turkey                      | Hotel management services |

**8. Debtors**

|                                    | 30 September<br>2014<br>£ | 30 September<br>2013<br>£ |
|------------------------------------|---------------------------|---------------------------|
| Amounts owed by Group undertakings | 43,218,529                | 39,891,010                |
| Sundry debtors                     | 122,153                   | -                         |
| Group relief receivable            | 3,940,069                 | 743,890                   |
|                                    | <b>47,280,751</b>         | <b>40,634,900</b>         |

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

| 9. Creditors: amounts falling due within one year | 30 September<br>2014<br>£ | 30 September<br>2013<br>£ |
|---------------------------------------------------|---------------------------|---------------------------|
| Bank overdraft                                    | 7,016,817                 | 2,836,651                 |
| Deferred consideration                            | -                         | 530                       |
| Amounts owed to Group undertakings                | 7,754,034                 | 87,105,853                |
|                                                   | <u>14,770,851</u>         | <u>89,943,034</u>         |

Amounts owed to Group undertakings are unsecured and are repayable on demand. Balances with dormant companies are interest free and all others bear interest of 5% above the 6-month LIBOR.

#### 10. Creditors: amounts falling due after more than one year

|                                    | 30 September<br>2014<br>£ | 30 September<br>2013<br>£ |
|------------------------------------|---------------------------|---------------------------|
| Amounts owed to Group undertakings | <u>84,316,831</u>         | <u>-</u>                  |

Amounts owed to Group undertakings are unsecured and have repayment dates between 2 June 2016 and 28 June 2027. Balances bear interest at 5% above the 6-month LIBOR.

An analysis of the maturity of amounts owed to Group companies is as follows:

|                                                             | 30 September<br>2014<br>£ | 30 September<br>2013<br>£ |
|-------------------------------------------------------------|---------------------------|---------------------------|
| Amounts due within one year                                 | 7,754,034                 | 87,105,853                |
| Amounts due after more than one year and within two years   | 46,733,909                | -                         |
| Amounts due after more than two years and within five years | 29,757,256                | -                         |
| Amounts due after more than five years                      | 7,825,666                 | -                         |
|                                                             | <u>92,070,865</u>         | <u>87,105,034</u>         |

#### 11. Called up share capital

|                                                          | 30 September<br>2014<br>£ | 30 September<br>2013<br>£ |
|----------------------------------------------------------|---------------------------|---------------------------|
| <b>Issued and fully paid</b>                             |                           |                           |
| 65,600,539 ordinary shares of £1 each (2013: 41,786,781) | <u>65,600,539</u>         | <u>41,786,781</u>         |

The Company issued the following ordinary £1 shares to its parent company TUI Travel PLC at par value during the year for total cash consideration of £23,813,758:

| Date             | Shares acquired<br>(number) | Total<br>consideration<br>£ |
|------------------|-----------------------------|-----------------------------|
| 25 October 2013  | 12,786,000                  | 12,786,000                  |
| 8 November 2013  | 194,000                     | 194,000                     |
| 13 November 2013 | 135,000                     | 135,000                     |
| 16 December 2013 | 449,500                     | 449,500                     |
| 2 January 2014   | 9,112                       | 9,112                       |
| 27 January 2014  | 250,000                     | 250,000                     |
| 24 February      | 4,113,214                   | 4,113,214                   |
| 10 April 2014    | 796,232                     | 796,232                     |
| 23 April 2014    | 1,071,395                   | 1,071,395                   |
| 26 June 2014     | 4,009,305                   | 4,009,305                   |
|                  | <u>23,813,758</u>           | <u>23,813,758</u>           |

**12. Profit and loss account**

|                             | £                   |
|-----------------------------|---------------------|
| At 1 October 2013           | (7,741,410)         |
| Loss for the financial year | (6,792,658)         |
| <b>At 30 September 2014</b> | <b>(14,534,068)</b> |

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

|                                         | 30 September<br>2014<br>£ | 30 September<br>2013<br>£ |
|-----------------------------------------|---------------------------|---------------------------|
| Opening shareholders' funds / (deficit) | 34,045,371                | (1,613,028)               |
| Ordinary shares issued (Note 10)        | 23,813,758                | 41,786,780                |
| Loss for the financial year             | (6,792,658)               | (6,128,381)               |
| <b>Closing shareholders' funds</b>      | <b>51,066,471</b>         | <b>34,045,371</b>         |

All shareholder funds relate to equity interests.

**14. Post balance sheets events**

After the year end, the following ordinary £1 shares were issued to TUI Travel Limited:

| Date             | Shares acquired<br>(number) | Total<br>consideration<br>£ |
|------------------|-----------------------------|-----------------------------|
| 28 November 2014 | 791,588                     | 791,588                     |
| 11 December 2014 | 7,018,439                   | 7,018,439                   |
| 19 February 2015 | 1,977,155                   | 1,977,155                   |
| 2 March 2015     | 509,215                     | 509,215                     |
|                  | <b>10,296,397</b>           | <b>10,296,397</b>           |

**15. 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.

**16. 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 immediate holding company is TUI Travel PLC.

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 the Company Secretary, TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex RH10 9QL or from the website [www.tuitravelpc.com](http://www.tuitravelpc.com). 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).