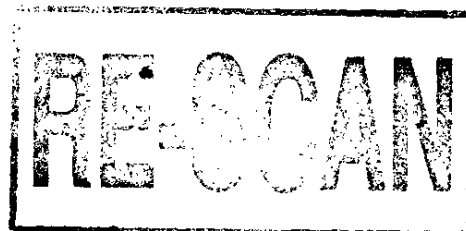


Retail Travel Limited
Annual report and financial statements
for the year ended 30 September 2017

Registered number 0918380



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Retail Travel Limited

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Retail Travel Limited

Strategic Report

The directors present their Strategic report on the affairs of Retail Travel Limited (the “Company”), together with the audited financial statements. This annual report covers the year ended 30 September 2017.

Business review & principal activities

The Company has not traded externally during the year and there are no plans to commence external trading activities in the foreseeable future. The principal activity of the Company is to maintain property leases, the costs of which are borne by the parent Company, Thomas Cook Retail Limited. For the year ended 30 September 2017, the Company made neither a profit nor a loss on ordinary activities before tax (2016: the Company made a loss on ordinary activities before tax of £227k). As at 30 September 2017, the net assets of the company were £55,823k (2016: £55,823k).

Business environment

There are two distinct segments in the UK leisure and travel market: direct suppliers and travel intermediaries. Direct suppliers are the airlines, hotels and cruise companies that sell directly to the customer. Thomas Cook Group plc (‘the Group’; ‘Thomas Cook’) through its subsidiary companies, operates in the travel intermediary segment, made up of travel agents and tour operators.

The Group operates a multi-channel distribution strategy, selling through its own and third-party channels. The Group’s own distribution channels, which include the operations of the Company, comprise retail stores, online via various Group websites and call centres.

Financial risk management

The Company is subject to credit risk within the framework of its business operations.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company’s principal financial assets are amounts due from other Group undertakings. The Company’s credit risk is primarily attributable to these debtors. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Key performance indicators (“KPIs”)

The directors of the Group manage the Group’s operations on a segmental basis. For this reason, the Company’s directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the UK segment of the Group, which include the results of the Company, are discussed in the financial review on page 32 of the Group’s annual report which does not form part of this report.

Retail Travel Limited

Strategic Report (continued)

Principal risks and uncertainties

The Group, of which the Company is a component, have identified a number of principal risks and uncertainties that could potentially damage the current business model and future growth opportunities of the Group. For further information on the potential impact of these risks and how they are mitigated by the Group, please refer to pages 54-59 of the Group's annual report. There are no specific risks or uncertainties that could potentially damage the Company directly.

The Strategic Report has been approved and is signed on behalf of the board by:



S Bradley
Representing Thomas Cook Group Management Services Limited

31 May 2018

Registered office
Westpoint
Peterborough Business Park
Lynch Wood
Peterborough
PE2 6FZ

Retail Travel Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the audited financial statements. This annual report covers the year ended 30 September 2017.

Please refer to the Strategic report for the business review, future developments, and financial risk management of the Company.

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 30 September 2017 (2016: £nil).

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

PA Hemingway
Thomas Cook Group Management Services Limited

Company Secretary

Shirley Bradley

Directors' indemnities

In accordance with its Articles, the Company has made qualifying third party indemnity provisions, to the extent permitted by law, for the benefit of its directors. These were made during the year and remain in force at the date of this report. The Company also maintains Directors' and Officers' liability insurance.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Retail Travel Limited

Directors' report (continued)

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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditors

For the year ended 30 September 2017 the Company was entitled to the exemption under section 480 of the Companies Act 2006. Members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The Directors' report has been approved and is signed on behalf of the board by:



S Bradley
Representing Thomas Cook Group Management Services Limited

31 May 2018

Registered office
Westpoint
Peterborough Business Park
Lynch Wood
Peterborough
PE2 6FZ

Retail Travel Limited**Statement of comprehensive income
Year ended 30 September 2017**

		Year ended 30 September 2017	Year ended 30 September 2016
	Notes	£'000	£'000
Operating expenses	3	-	(227)
(Loss)/result from operations		-	(227)
(Loss)/result on ordinary activities before taxation		-	(227)
Income tax charge	5	-	-
(Loss)/result for the financial year		-	(227)

All of the results arose from continuing operations.

There are no recognised income or expenses for either year other than the (loss)/result for the financial year; consequently no other comprehensive income has been presented.

Retail Travel Limited

Balance Sheet As at 30 September 2017

Registered number 0918380

	Note	2017 £'000	2016 £'000
Current assets			
Trade and other receivables	6	55,823	55,823
Total assets		<u>55,823</u>	<u>55,823</u>
Creditors: Amounts falling due within one year			
		<u>-</u>	<u>-</u>
Net assets		<u>55,823</u>	<u>55,823</u>
Equity			
Called up share capital	7	1,000	1,000
Retained earnings		14,823	14,823
Other reserves	8	40,000	40,000
Total equity		<u>55,823</u>	<u>55,823</u>

Advantage has been taken of the audit exemption available for dormant companies conferred by section 480 of the Companies Act 2006.


Members have not required the company to obtain an audit of the financial statements for the year ended 30 September 2017 in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for:

(1) ensuring the company keeps accounting records which comply with section 386 of the Companies Act 2006; and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with the requirements of section 394 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the board of directors and authorised for issue on 31 May 2018 and signed on its behalf by:



S Bradley

Representing Thomas Cook Group Management Services Limited

31 May 2018

Retail Travel Limited**Statement of changes in equity
For the year ended 30 September 2017**

	Called up share capital	Retained earnings	Other reserves	Total equity
	£'000	£'000	£'000	£'000
At 1 October 2015	1,000	15,050	40,000	56,050
Result for the financial year and total comprehensive income for the year	-	(227)	-	(227)
Balance at 30 September 2016 and 1 October 2016	1,000	14,823	40,000	55,823
Result for the financial year and total comprehensive expense for the year	-	-	-	-
Balance at 30 September 2017	1,000	14,823	40,000	55,823

Retail Travel Limited

Notes to the financial statements Year ended 30 September 2017

1 General information

Retail Travel Limited ('the Company') is a private company limited by shares incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office is Westpoint, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6FZ. The nature of the Company's operations and its principal activities are set out in the Strategic report. These financial statements are presented in pounds sterling, which is the Company's functional currency, because that is the currency of the primary economic environment in which the Company operates. The Company is a wholly-owned subsidiary company and is included within the audited consolidated financial statements of Thomas Cook Group plc ('the Group'; 'Thomas Cook'), a company incorporated in England and Wales which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and filed with the Registrar of Companies.

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

For the year ended 30 September 2017, the company was entitled to, and claimed, exemption from audit on the grounds that it was a dormant company. The financial statements for the year ended 30 September 2016, forming the corresponding figures of the financial statements for the year ended 30 September 2017 were audited.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Exemption from all disclosure requirements in IFRS 13, 'Fair value measurement' except for the following:
 - Paragraphs 36(4) and 55 to 57 (valuation models and techniques for financial instruments held at fair value)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows for the period)
 - 16 (statement of compliance with all IFRS),
 - 38A-B (detail in respect of minimum comparative information)
 - 38C-D (additional comparative information)
 - 111 (cash flow statement information)
 - 134 – 136 (information on an entity's objectives, policies and processes for managing capital (qualitative and quantitative))
 - 39 (detail in respect of minimum comparative information, including prior year opening balance Sheet), and
 - 40 (detail in respect of narrative information)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure in respect of new standards and interpretations that have been issued but which are not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- Paragraph 18A of IAS 24, 'Related party disclosures' to disclose amounts incurred by the entity for the provision of key management personnel services that are provided by a separate management entity.

Retail Travel Limited

Notes to the financial statements Year ended 30 September 2017

1 General information (continued)

Basis of Preparation (continued)

- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Where relevant, equivalent disclosures have been given in the consolidated financial statements of the Group. The consolidated financial statements of the Group are available to the public and can be obtained as set out in note 9.

The Company is reliant on the support of the ultimate parent company, Thomas Cook Group Plc. This support has been formally provided and accordingly the directors of the Company have prepared these financial statements on a going concern basis.

Adoption of new or amended standards and interpretations in the current year

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 October 2016 have had a material impact on the amounts reported or the disclosure and presentation in these financial statements.

2 Significant accounting policies

The principal accounting policies applied in the preparation of the financial information presented in this document are set out below. These policies have been applied consistently to the periods unless otherwise stated.

Statement of comprehensive income presentation

Profit or loss from operations includes the results from operating activities of the Company, before its share of the results of associates and joint ventures.

Subsidiary undertakings

Investments in subsidiary undertakings are accounted for at cost accumulated impairment losses. As a minimum, at each year-end financial reporting date, the Company assesses whether there is any indication that an investment in subsidiary undertakings may be impaired (i.e. an 'impairment indicator'). Where there is an impairment indicator, full impairment reviews are carried out.

Tax

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the tax rates and laws that are substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws substantively enacted at the balance sheet date.

Critical judgements and key sources of estimation uncertainty

Given the simple nature of the Company's operations, the directors do not believe there are any critical judgements or key sources of estimation uncertainty in the preparation of these financial statements.

Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Company transfers the financial asset or when the contractual rights expire. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires. The measurement of particular financial assets or liabilities is set out below:

Retail Travel Limited

Notes to the financial statements Year ended 30 September 2017

Trade and other receivables

Trade and other receivables are recognised at their fair value and subsequently recorded at amortised cost using the effective interest method as reduced by allowances for estimated irrecoverable amounts. An allowance for irrecoverable amounts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows.

2 Significant accounting policies (continued)

Share capital

Ordinary shares including share premium are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3 Operating expenses

	2017	2016
	£'000	£'000
Write-off of intercompany balances	-	(227)
	<u>-</u>	<u>(227)</u>

During the previous year intercompany balances of £227k were written-off due to the recoverability of the carrying value no longer being considered achievable.

4 Directors' remuneration

The Company had no employees during the year (2016: nil).

Directors' emoluments are paid for by a fellow Group member. Remuneration is apportioned across the entities within the Group based on an allocation method. No apportionment of emoluments has been made to the Company as a result of this exercise.

Retail Travel Limited

Notes to the financial statements Year ended 30 September 2017

5 Tax

	2017 £'000	2016 £'000
Current tax		
UK corporation tax charge/(credit) for the year	-	-

Corporation tax is calculated at 19.5% (2016: 20%) of the estimated assessable profit for the period. This is the weighted average tax rate for the period following a reduction in the standard rate of UK Corporation Tax from 20% to 19% effective from 1 April 2017.

The tax charge/(credit) for the year can be reconciled to the (loss)/result per the Statement of comprehensive income as follows:

	2017 £'000	2016 £'000
Current Tax		
(Loss)/result on ordinary activities before taxation	-	(227)
(Loss)/result on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 19.5% (2016: 20%)	-	(45)
Effects of:		
Expenses/(Income) not deductible for tax purposes	-	45
Tax charge/(credit) for the year	-	-

In addition to the reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017), a further reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. Deferred tax on temporary differences and tax losses as at the balance sheet date is calculated based on the substantively enacted rates at which the temporary differences and tax losses are expected to reverse.

Finance (No.2) Act 2017 was substantively enacted on 31 October 2017 and included legislation to amend the rules relating to the utilisation of brought forward losses and the deductibility of interest for corporation tax purposes. These new rules apply retrospectively from 1 April 2017. With substantive enactment taking place after the balance sheet date, the accounting standards do not require the impact of these rules to be accounted for until the period ended 30 September 2018. Due to the complexity of the legislation it is too soon to quantify the effect of the new rules if they had been applied at the balance sheet date.

6 Trade and other receivables

	2017 £'000	2016 £'000
Current assets		
Amounts due from Group undertakings	55,823	55,823
	<u>55,823</u>	<u>55,823</u>

The amounts due from Group undertakings are unsecured, payable on demand and interest free.

During the year, the amounts due from Group undertakings and the amounts due to Group undertakings were reviewed by the Company and it was agreed with the counterparty that the balances can be settled on a net basis. Therefore the presentation in the current year financial statements has been amended to reflect a single net receivable.

Retail Travel Limited

Notes to the financial statements Year ended 30 September 2017

7 Called up share capital

	2017 £'000	2016 £'000
Authorised:		
1,000,000 (2016: 1,000,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:		
1,000,000 (2016: 1,000,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

The company has one class of ordinary share.

8 Other reserves

	£'000
Balance at 1 October 2016 and 30 September 2017:	
Capital contribution reserve	<u>40,000</u>

9 Ultimate controlling party

The Company is a subsidiary of Thomas Cook Retail Limited, which is incorporated in England and Wales.

Thomas Cook Group PLC, incorporated in England and Wales, is the Company's ultimate parent company and ultimate controlling party.

The largest and smallest group in which the results of the Company are consolidated is that of which Thomas Cook Group plc is the parent company. The consolidated financial statements of Thomas Cook Group plc may be obtained from 3rd floor, South Building, 200 Aldersgate, London, EC1A 4HD.

10 Contingent Liabilities

The Company is a guarantor over bonding, letter of credit and guarantee facilities utilised by other UK subsidiaries of the Group. The Group potential liabilities in relation to total bonding, letter of credit and guarantee facilities are £295.8m (2016: £296.2m).

In addition to this, the Company is one of the guarantors of the Group term and revolving credit facilities. Each of the guarantors is jointly liable for the drawn down portion of £28.4m (2016: £19.6m).

In addition, the Company is one of the guarantors of the Euro and GBP bonds issued by the Group. Each of the guarantors is joint & severally liable for the £1,000m (2016: £979m) bond amount.