

Tourmajor Limited

Annual report and financial statements

For the year ended 30 September 2013

Registered number 1450464

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Tourmajor Limited

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Strategic Report

The directors present their strategic report on the affairs of the Company, together with the financial statements and auditors' report. This strategic report covers the year ended 30 September 2013.

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, 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.

Strategy and future outlook

Growth in international tourism is closely correlated to economic growth and has enjoyed strong and sustained growth for most of the last three decades. Despite a backdrop of subdued economic growth, demand for international leisure travel has remained reasonably strong as consumer spending has held up and unemployment in key source markets has remained stable.

In most of the Group's operating segments, retail stores remain a significant distribution channel for mainstream package holidays. However, over time, the Group's strategy is to increase the share of mainstream package holidays sold online.

Thomas Cook and former retail outlets of The Co-operatives have continued their programme to integrate their high street networks to create the UK's largest high street travel retailer.

Business Review & Activities

The Company has not traded during the year and there are no plans to commence trading activities in the foreseeable future. The purpose of the company is to act as a holding company.

The Company disposed of its investment in Neilson Hellas A E during the year at book value. In addition, the company made a capital contribution of €1,200k (£1,005k) in the year to its wholly owned subsidiary Capitol Holdings Limited.

There was an impairment of the Company's investment in Capitol Holdings Limited of £3,810k (2012: nil) during the year.

Financial risk management

The Company has no material exposure to price risk, liquidity risk, capital management risk or cash flow risk.

Credit risk

The Company's financial assets comprise amounts due from Group undertakings. The Company's credit risk is primarily attributable to these receivables. 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.

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Principal risks and uncertainties

The UK group have identified a number of principal risks and uncertainties that could potentially damage the current business model and future growth opportunities

- Continued downturn in demand due to adverse global economic factors
- Recruitment, development and retention of talented people
- Geo-political and regulatory
- Failure of the Transformation plan to deliver against strategic and operational targets
- Major health and safety incident
- Failure of IT infrastructure or internal control failure

For further information on the potential impact of these risks, and the procedures implemented by the Group to mitigate these risks, please refer to pages 30-31 of the Group's annual report

Key performance indicators ("KPI's")

The directors of Thomas Cook Group plc 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 Tourmajor Limited. The development, performance and position of the UK segment of the Group, which include the results of the Company, are discussed in the operating review on page 42 of the Group's annual report which does not form part of this report.

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



N Arthur
Director
24 February 2014

Registered office

The Thomas Cook Business Park
Coningsby Road
Peterborough
Cambridgeshire
England
PE3 8SB

Tourmajor Limited

Registered number: 1450464

Directors' Report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditors' report. This annual report covers the year ended 30 September 2013.

Directors

The directors of the company who were in office during the year and up until the date of signing the financial statements were

P Fankhauser (appointed 21 February 2013, resigned 2 December 2013)

N Arthur (appointed 21 February 2013)

D Taylor (appointed 12 February 2013, resigned 21 February 2013)

Thomas Cook Group Management Services Limited

J L Seary (resigned 21 February 2013)

Company Secretary

S Bradley

Directors' indemnities

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

Statement of directors' responsibilities

The directors are responsible for preparing 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 year. 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,
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

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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.

Provision of information to auditors

In accordance with Section 418 of the Companies Act 2006, in the case of each director in office at the date the directors' report is approved, the following applies:

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to be re-appointed as auditors of the Company. A resolution will be proposed at the next Annual General Meeting to re-appoint PricewaterhouseCoopers LLP as auditors of the Company.

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



N Arthur

Director

24 February 2014

Registered office
The Thomas Cook Business Park
Coningsby Road
Peterborough
Cambridgeshire
England
PE3 8SB

Tourmajor Limited

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Independent auditors' report to the members of Tourmajor Limited

Our opinion

In our opinion the financial statements

- Give a true and fair view of the state of the Company's affairs as at year end 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

This opinion is to be read in the context of what we say below

What we have audited

The financial statements for the year ended 30 September 2013, which are prepared by Tourmajor Limited, comprise

- the balance sheet, statement of comprehensive income and statement of changes in equity,
- 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 their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework"

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

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (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

In addition, we read all the financial and non-financial information in the *Annual Report 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

Tourmajor Limited

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Independent auditors' report to the members of Tourmajor Limited (continued)

Opinion on matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Other matters on which we are required to report by exception

Adequacy of accounting records and information 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

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 5 and 6, 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 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.



Charles Joseland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
24 February 2014

Tourmajor Limited

Registered number 1450464

Statement of Comprehensive Income For the year ended 30 September 2013

	Note	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
Impairment of investment in subsidiary	4	(3,810)	-
Operating Loss		(3,810)	-
Loss on ordinary activities before taxation	4	(3,810)	-
Income tax		-	-
Total comprehensive loss for the year		(3,810)	-

All of the results arose from continuing operations

There are no recognised income or expenses for either year other than the loss for the year, consequently no other comprehensive income has been presented

Tourmajor Limited

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Balance sheet As at 30 September 2013

	Note	30 September 2013 £'000	30 September 2012 £'000
Fixed Assets			
Investments in subsidiary undertakings	4	57,187	60,338
		<u>57,187</u>	<u>60,338</u>
Current assets			
Trade and other receivables	5	286,346	286,000
		<u>286,346</u>	<u>286,000</u>
Total assets		<u>343,533</u>	<u>346,338</u>
Current liabilities			
Trade and other payables	6	(36,465)	(35,460)
Total liabilities		<u>(36,465)</u>	<u>(35,460)</u>
Net assets		<u>307,068</u>	<u>310,878</u>
Equity			
Called up share capital	8	2,353	2,353
Retained earnings		161,468	165,278
Other reserves		<u>143,247</u>	<u>143,247</u>
Total Equity		<u>307,068</u>	<u>310,878</u>

The notes on pages 12 to 17 form part of these financial statements

The financial statements were approved by the board of directors and approved for issue on 24 February 2014

Signed on behalf of the board



N Arthur

Director

Tourmajor Limited

Registered number: 1450464

Statement of changes in equity As at 30 September 2013

	Called up share Capital £'000	Retained earnings £'000	Other reserves £'000	Shareholders' equity £'000
At 1 October 2012	2,353	165,278	143,247	310,878
Total comprehensive result for the year	-	(3,810)	-	(3,810)
Balance at 30 September 2013	2,353	161,468	143,247	307,068

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Notes to the financial statements

Year ended 30 September 2013

1 General information

Tourmajor Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is The Thomas Cook Business Park, Coningsby Road, Peterborough, PE3 8SB. The nature of the Company's operations and its principal activities are set out in the Directors' 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.

Basis of preparation

These are the first financial statements of the Company prepared in accordance with FRS 101. The company has elected to early adopt FRS 101. The Company's date of transition to FRS 101 is 1 October 2011. The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the company in these financial statements.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 30 September 2013 the company has undergone transition from reporting under IFRSs adopted by the European Union to FRS 101 as issued by the Financial reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council and with those parts of the Companies Act 2006 applicable to Companies reporting under FRS101. This transition is not considered to have had a material effect on accounting policies applied in these financial statements, which are consistent with the previous financial year except for those which the Company has adopted in the year.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The Company is reliant on the support of the fellow group undertaking Thomas Cook Investments (2) Limited. This support has been formally provided and accordingly the directors of Tourmajor Limited have prepared these financial statements on a going concern basis.

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

In the current year, the following new or amended standards have been adopted. Their adoption has not had a significant impact on the amounts reported or the disclosure and presentation in these financial statements, but may impact the accounting or the disclosure and presentation for future transactions and arrangements.

IAS 1 Amendment "Presentation of Items of Other Comprehensive Income" is effective for annual reporting periods commencing on or after 1 July 2012. The amendment requires disclosure of items that may be reclassified to profit or loss and items that will not be reclassified to profit or loss.

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.

Income statement presentation

Profit or loss from operations includes the results from operating activities of the Company.

Financial instruments

Given the simple nature of the Company's operations, the directors do not believe that the Company has any material exposure to price risk, liquidity risk or cash flow risk. As such, no sensitivity analysis of the impact of reasonably possible changes in these risk variables on the company has been presented. The Company has exposure to credit risk as set out in the Strategic Report. 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.

Critical judgments and key sources of estimation uncertainty

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

Subsidiary undertakings

Investments in subsidiary undertakings are accounted for at cost less provision for impairment. Impairment reviews are performed when there has been an indication of potential impairment.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

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Notes to the financial statements Year ended 30 September 2013

3 Taxation

	2013 £'000	2012 £'000
Current tax		
UK corporation tax credit for the year	-	-

The tax charge for the year can be reconciled to the profit per the Statement of comprehensive income as follows

	2013 £'000	2012 £'000
Current Tax		
Loss from ordinary activities before taxation	(3,810)	-
Loss from ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.5% (2012: 25%)	(895)	-
Effects of Expenses/ (Income) not deductible for tax purposes	895	-
Total current tax	-	-

The company had no deferred tax assets or liabilities at 30 September 2013 (2012: £nil)

Corporation tax is calculated at 23.5% (2012: 25%) of the estimated assessable loss for the period. This is the weighted average tax rate applicable for the period following a reduction in the standard rate of UK Corporation Tax from 24% to 23% effective from 1st April 2013.

Finance Act 2011 included legislation to reduce the main rate of Corporation Tax to 25% with effect from 1st April 2012, this was amended by Finance Act 2012 which reduced the rate to 24% with effect from 1st April 2012. Finance Act 2012 also included legislation to reduce the main rate of Corporation Tax to 23% with effect from 1st April 2013. Finance Act 2013 included legislation to reduce the main rate of Corporation Tax to 21% with effect from 1st April 2014 and 20% with effect from 1st April 2015. The changes have had no effect on these financial statements.

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Notes to the financial statements Year ended 30 September 2013

4 Investments in subsidiary undertakings

	30 September 2013 £'000
Cost	
At 1 October 2012	60,338
Additions	1,005
Disposals	(346)
At 30 September 2013	60,997
Provisions	
At 1 October 2012	-
Impairment charge	(3,810)
At 30 September 2013	(3,810)
Net Book Value at 30 September 2013	57,187
Net Book Value at 30 September 2012	60,338

	30 September 2013 £'000	30 September 2012 £'000
Capitol Holdings Limited	-	2,805
Flying Colours Leisure Group Limited	57,187	57,187
Neilson Hellas SA	-	346
	57,187	60,338

In accordance with accounting standards, the ultimate parent company, Thomas Cook Group plc, annually tests the carrying value of goodwill for impairment. As a result of those annual tests, we identified that the investment in Capitol Holdings Limited required impairing due to the company being restructured. In addition, the Company disposed of its investment in Neilson Hellas A E during the year at book value.

Name of company	Country of incorporation	% ownership of ordinary shares	Principal activity
Capitol Holdings Limited	Republic of Ireland	100%	Tour operator
Flying Colours Leisure Group Limited	England & Wales	100%	Intermediate holding company
JMC Travel Limited	England & Wales	100%	Dormant
Up Trips Limited	England & Wales	100%	Dormant

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Notes to the financial statements Year ended 30 September 2013

5 Trade and other receivables

	30 September 2013 £'000	30 September 2012 £'000
Current assets		
Amounts due from Group undertakings	<u>286,346</u>	<u>286,000</u>

6 Trade and other payables

	30 September 2013 £'000	30 September 2012 £'000
Current liabilities		
Redeemable preference shares of £1 each	(19,000)	(19,000)
Cumulative dividend arrears on redeemable preference shares	(5,566)	(5,566)
Amounts due to Group undertakings	<u>(11,899)</u>	<u>(10,894)</u>
	<u>(36,465)</u>	<u>(35,460)</u>

The redeemable preference shares carry a cumulative preferential dividend at the rate of (LIBOR + 20 basis points) x (1 - applicable Corporation tax) per annum. On winding up the holders of these shares have priority before all other classes of shares to receive repayment of capital plus any arrears of dividend. The holders have no voting rights unless the dividend is in arrears by 30 days or more. At the year end, the carrying value of trade and other payables were all denominated in GB Sterling.

On 25th May 2012 the holders of the redeemable preference shares waived their rights to any dividend due on such shares in respect of the year ended 30 September 2011 and to any dividends due on such shares in all future financial years until further notice.

The directors consider that the carrying amount of trade payables approximates to their fair value. The amounts owed to the subsidiary undertakings are unsecured, payable on demand and are interest free.

7 Directors' and Auditors' remuneration

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.

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Notes to the financial statements Year ended 30 September 2013

Auditors' remuneration is paid for centrally by Thomas Cook Retail Limited. The audit fee is apportioned across the entities within the Group based on an allocation method. No apportionment of fees has been made to the Company. No audit fees or non-audit fees were paid directly by the Company. Amounts payable to PricewaterhouseCoopers LLP and their associates by the Company in respect of non-audit services are disclosed in the financial statements of Thomas Cook Group plc.

8 Called up share capital

	30 September 2013 £'000	30 September 2012 £'000
Authorised:		
4,000,000 (2012: 4,000,000) ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>
Allotted, issued and fully paid:		
2,352,998 (2012: 2,352,998) ordinary shares of £1 each	<u>2,353</u>	<u>2,353</u>

The company has one class of ordinary share, which carry no right to fixed income.

9 Ultimate controlling party

The Company is a subsidiary of Thomas Cook Tour Operations 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 Post balance sheet events

After the balance sheet date, Flying Colours Leisure Group Limited, a subsidiary of Tourmajor Limited, was liquidated. The investment in Flying Colours Leisure Group Limited was not impaired as Tourmajor Limited expects to receive all amounts invested in the company.

In addition, after the balance sheet date, the management personnel of Capitol Holdings Limited made the decision to transfer the operations of the Company to another group company.