

# **Buzzard Leisure Limited**

## **Annual report and financial statements**

**for the year ended 30 September 2011**

Registered number 3228350



# **Buzzard Leisure Limited**

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# **Buzzard Leisure Limited**

## **Directors' report**

The directors present their annual report on the affairs of the Company, together with the audited financial statements for the year ending 30 September 2011

### **Business review & principal activities**

The principal activity of the Company is that of an investment holding company

The Company made a no profit for the year (2010 Nil)

Buzzard Leisure Limited accepted loans on behalf of Thomas Cook USA Holding Inc of CAD\$15million and £6.5million on the 31<sup>st</sup> August 2011. On the same date, these loans were transferred to Buzzard US Inc

The directors consider that the financial position of the Company at the end of the year was satisfactory. The directors are not aware at the date of this report of any likely major changes in the Company's activities in the next year.

### **Principal risks and uncertainties**

The principal area of risk or uncertainty for the Company relates to the carrying amount of the Company's investments in subsidiary undertakings which are dependant on the financial performance of those undertakings. The directors carry out an annual assessment of the carrying value of the investments by reference to the underlying net assets and the forecast future financial performance, including cash flows, of the subsidiary undertakings.

### **Financial risk management**

The company's financial risk management is detailed within note 5.

### **Key performance indicators**

As the Company is not actively trading, the directors are of the opinion that an analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

### **Environment and employees**

As the Company is not actively trading and has no direct employees, the directors do not consider it necessary to report on environmental or employment policies.

### **Dividends**

The directors do not recommend the payment of an ordinary dividend for year ending 30 September 2011 (2010 £nil).

### **Directors**

The directors who served throughout the year, were as follows:

D M Hallisey	(Resigned 1 <sup>st</sup> March 2011)
J L Seary	(Appointed 1 <sup>st</sup> March 2011)
Thomas Cook Group Management Services Limited	

### **Company Secretary**

S Bradley

# **Buzzard Leisure Limited**

## **Directors' report (continued)**

### **Independent auditors**

PricewaterhouseCoopers LLP have indicated their willingness to continue in office. The Company has elected not to re-appoint auditors annually. Therefore the auditors, PricewaterhouseCoopers LLP, are deemed to be re-appointed for the next financial year.

In the case of each of the persons who are directors of the Company at the date when this report was approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware, and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

This statement is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

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 elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union 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.

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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board,



S Bradley  
Company Secretary  
26<sup>th</sup> June 2012

# **Buzzard Leisure Limited**

## **Independent auditors' report to the members of Buzzard Leisure Limited**

We have audited the financial statements of Buzzard Leisure Limited for the year ended 30 September 2011 which comprise of the Income Statement, the Statement of comprehensive income, the Balance sheet, the Statement of Changes in Equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of directors' responsibilities, set out on page 3, 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). 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.

### **Scope of the audit of the financial statements**

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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



John Ellis (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
26 June 2012

# **Buzzard Leisure Limited**

## **Statement of comprehensive income**

**Year ended 30 September 2011**

The Company did not trade during the current or preceding financial year, received no income and incurred no expenditure. Consequently, during these periods, the Company has made neither a profit nor a loss and had no recognised gains or losses.

# Buzzard Leisure Limited

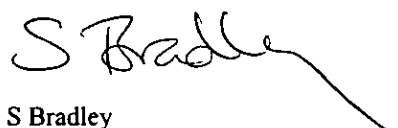
Registered number 3228350

## Balance sheet as at 30 September 2011

	Notes	30 September 2011 £m	30 September 2010 £m
<b>Non-current assets</b>			
Investment in subsidiaries	3	187 0	170 7
<b>Total assets</b>		<u>187 0</u>	<u>170 7</u>
<b>Current liabilities</b>			
Trade and other payables	4	(83 3)	(67 0)
<b>Total liabilities</b>		<u>(83 3)</u>	<u>(67 0)</u>
<b>Net assets</b>		<u>103 7</u>	<u>103 7</u>
<b>Equity</b>			
Called-up share capital	6	208 3	208 3
Currency reserves		0 2	0 2
Retained earnings		(104 8)	(104 8)
<b>Total equity</b>		<u>103 7</u>	<u>103 7</u>

These financial statements were approved by the Board of Directors and authorised for issue on 26<sup>th</sup> June 2012

Signed on behalf of the Board,



S Bradley  
Representing Thomas Cook Group Management Services Limited  
Director

The notes on pages 9 to 12 form part of these financial statements

**Buzzard Leisure Limited**  
**Statement of changes in equity**  
**For the year ended 30 September 2011**

	Share capital £m	Currency reserves £m	Retained earnings £m	Total £m
At 30 September 2009	208.3	0.2	(104.8)	103.7
At 30 September 2010	208.3	0.2	(104.8)	103.7
At 30 September 2011	208.3	0.2	(104.8)	103.7



# **Buzzard Leisure Limited**

## **Notes to the financial statements for the year ended 30 September 2011**

### **1. General information**

Buzzard Leisure Limited is a company incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office is The Thomas Cook Business Park, Comingsby 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 British sterling 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, a company incorporated in England and Wales, which have been prepared in accordance with International Financial Reporting Standards and filed with the Registrar of Companies. The Company is therefore exempt from the obligation to prepare consolidated financial statements in accordance with section 400 of the Companies Act 2006.

### **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.

IFRS2 Amendment "Share-based payments" is effective for annual reporting periods commencing on or after 1 January 2010. This amendment clarifies the scope and accounting for group cash-settled share-based payments.

### **New or amended standards and interpretations in issue but not yet effective**

The following new standards, amendments to standards and interpretations that are expected to impact the Group, which have not been applied in these financial statements, were in issue, but are not yet effective:

IAS 24 Amendment "Related parties" is effective for annual reporting periods commencing on or after 1 January 2011. The amendment clarifies the definition of related parties.

IFRIC 14 Amendment "Prepayments of a minimum funding requirement" is effective for annual reporting periods commencing on or after 1 January 2011. The amendment remedies one of the consequences of IFRIC 14, whereby an entity under certain circumstances is not allowed to recognise an asset for the prepayment of a minimum funding requirement.

Management does not anticipate that the adoption of these new or amended standards and interpretations will have a material impact on the Company.

### **New or amended standards and interpretations in issue but not yet effective and not EU endorsed**

The following new standards, amendments to standards and interpretations that are expected to impact the Company, which have not been applied in these financial statements, were in issue, but are not yet effective and are not EU endorsed:

IFRS 9 "Financial Instruments" is effective for annual reporting periods commencing on or after 1 January 2013. The standard will eventually replace IAS 39 but currently only details the requirements for recognition and measurement of financial assets.

IFRS 10 "Consolidated financial statements" is effective for annual reporting periods beginning on or after 1 January 2013. This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within consolidated financial statements.

IFRS 11 "Joint arrangements" is effective for annual periods beginning on or after 1 January 2013. This standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.

IFRS 12 "Disclosure of interests in other entities" is effective for annual periods beginning on or after 1 January 2013. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

# **Buzzard Leisure Limited**

## **Notes to the financial statements for the year ended 30 September 2011**

### **1. General information (continued)**

IAS 19 (revised 2011) "Employee benefits" is effective for annual periods beginning on or after 1 January 2013. This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits.

IAS 27 (revised) "Separate financial statements" is effective for annual periods beginning on or after 1 January 2013. This standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.

IAS 28 (revised) "Investments in associates and joint ventures" is effective for annual periods beginning on or after 1 January 2013. This standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

Management is currently assessing the impact of adopting these new or amended standards and interpretations.

### **2. Significant accounting policies**

#### **Basis of preparation**

These financial statements have been prepared in accordance with IFRSs as adopted by the EU and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to Companies reporting under IFRS.

The accounting policies adopted are consistent with those of the previous financial period except for those which the Company has adopted in the year.

The financial statements have been prepared under the historical cost convention except for the revaluation of certain financial instruments. The principal accounting policies adopted are set out below.

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

#### **Investments**

Investments in subsidiaries undertakings are shown at cost less provision for impairment.

#### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Provision is made for deferred tax so as to recognise all temporary differences which have originated but not reversed at the balance sheet date that result in an obligation to pay more tax, or a right to pay less tax in the future.

This is calculated on a non-discounted basis by reference to the average tax rates that are expected to apply in the relevant jurisdiction and for the year in which the temporary differences are expected to reverse. Deferred tax assets are assessed at each balance sheet date and are only recognised to the extent that their recovery against future taxable profits is probable.

#### **Foreign currency**

Transactions in currencies other than the functional currency of the Company are translated at the exchange rate on the date of the transaction. Foreign currency monetary assets and liabilities held at the year end are translated at year end exchange rates. The resulting exchange gain or loss is taken through the income statement.

#### **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 allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows.

# **Buzzard Leisure Limited**

## **Notes to the financial statements for the year ended 30 September 2011**

### **2. Significant accounting policies (continued)**

#### **Trade and other payables**

Trade and other payables are recognised at their fair value and subsequently recorded at amortised cost using the effective interest method

#### **Cash flow statement**

The company had no cash flows in the current year. Its cash flow obligations were settled by fellow group undertakings. Accordingly, no separate cash statement has been presented with these financial statements

#### **Administrative expenses**

The Company has no employees. Administrative expenses of the Company, including audit fees of £500 (2010 £500) and directors' remuneration, were borne by Thomas Cook Group plc, the Company's parent undertaking, during both accounting years with no recharge made as the amounts were minimal

#### **Share capital**

Ordinary shares 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

#### **Change in presentation**

From the current year, it was decided to change the accounts presentation from £ to £m. This is the same format used for management purposes

The prior year comparatives have been represented to reflect this change

#### **Critical judgments in applying the Company's accounting policies**

In the process of applying the Company's accounting policies, described above, management has made the following judgments that have the most significant effect on the amounts recognised in the financial statements

#### ***Recoverable amounts of investments***

Judgments have been made in respect of the amounts of future operating cash flows to be generated by certain of the Company's businesses in order to assess whether there has been any impairment of the amounts included in the balance sheet for investments in relation to those businesses

# Buzzard Leisure Limited

## Notes to the financial statements for the year ended 30 September 2011

### 3. Investments in subsidiaries

	£m
<b>Cost</b>	
At 30 September 2009	291.7
At 30 September 2010	291.7
Additions	16.3
At 30 September 2011	308.0
<b>Provision for impairment</b>	
At 30 September 2009	121.0
At 30 September 2010	121.0
At 30 September 2011	121.0
<b>Net book value</b>	
At 30 September 2009	170.7
At 30 September 2010	170.7
At 30 September 2011	187.0

Buzzard Leisure Limited accepted loans on behalf of Thomas Cook USA Holding Inc of CAD\$15million and £6.5million on the 31<sup>st</sup> August 2011. On the same date, these loans were transferred to Buzzard US Inc as a capital contribution.

Details of subsidiary undertakings are shown in note 9.

### 4. Trade and other payables

	2011 £m	2010 £m
Amounts owed to group undertakings	83.3	67.0
	83.3	67.0
Currency analysis of loans from other group undertakings		
Sterling	73.5	67.0
US Dollar	9.3	-
	83.3	67.0

Included within amounts due to group undertakings are loans which principally relate to the financing of the investments in subsidiary undertakings and are fixed for periods of between one and twelve months, although these loans can be requested to be repaid on demand. Loans totalling £82.8m (2010 - £67.0m) are non-interest bearing.

Buzzard Leisure Limited accepted loans on behalf of Thomas Cook USA Holding Inc of CAD\$15million and £6.5million on the 31<sup>st</sup> August 2011. On the same date, these loans were transferred to Buzzard US Inc.

# Buzzard Leisure Limited

## Notes to the financial statements for the year ended 30 September 2011

### 5. Financial risk

The Company's financial instruments comprise amounts due to/from subsidiary undertakings

#### Credit Risk

The Company's exposure to credit risk is limited to its loans to other group companies and therefore management does not regard the risk to be high and consequently do not attempt to hedge or restrict this exposure

The market risks that the Company is subject to have been identified as exchange rate risk. The impact of reasonably possible changes in interest rates on the Company, based on the period end holdings of financial instruments have been calculated and are set out in the table below. The impact of reasonably possible changes in exchange rates is not material to the Company.

#### Capital risk

The company's objectives when managing capital is to safeguard the company's ability to continue as a going concern.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company monitors capital on the basis of net assets and the company's strategy is to maintain a net asset position, the values of which are shown on the balance sheet at 30 September 2011 and 30 September 2010.

### 6. Called-up share capital

	2011 £m	2010 £m
<b>Authorised</b>		
300,000,000 Ordinary shares of £1 each	<u>300.0</u>	<u>300.0</u>
<b>Allotted, called-up and fully paid</b>		
208,338,209 Ordinary shares of £1 each	<u>208.3</u>	<u>208.3</u>

### 7. Related party transactions

	2011 £m	2010 £m
<b>Year end balances arising from transactions with fellow subsidiaries:</b>		
Loans payable	83.3	67.0

## **Buzzard Leisure Limited**

### **Notes to the financial statements for the year ended 30 September 2011**

#### **8. Ultimate controlling party**

The Company is a direct subsidiary of MyTravel North America, a company incorporated in England and Wales

The Company's ultimate parent company, and controlling party, is Thomas Cook Group plc

The smallest group of which Buzzard Leisure Limited is a member and in which the results of the Company are consolidated is that headed by Thomas Cook Group plc, which is registered in England and Wales. Copies of the Thomas Cook Group plc financial statements can be obtained from its registered office at 6<sup>th</sup> Floor South, Brettenham House, Lancaster Place, London, WC2E 7EN

#### **9 Principal subsidiaries and associated and joint venture undertakings**

	<b>Country of incorporation and operation</b>	<b>Proportion held by company (%)</b>
<b>Direct subsidiaries</b>		
Airtours America LLC	USA	33
NALG Holdings	Ireland	100
Buzzard US LLC	USA	100
Parkway Australia Holdings Pty	Australia	100
Parkway Auto Realisations GmbH	Germany	100