

Future Travel Limited
Annual report and financial statements
for the year ended 30 September 2013

Registered number 03283092



Future Travel Limited

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Future Travel Limited

Director's report

The directors present their annual report on the affairs of Future Travel Limited, together with the audited financial statements. This annual report covers the year ended 30 September 2013.

Dividends

The directors do not recommend the payment of a dividend in respect of the year to 30 September 2013 (2012: £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:

N Arthur (appointed 14 March 2013)
I S Ailles (resigned 10 January 2013)
P J Aird-Mash (resigned 10 January 2013)
D J Elstob
P Hemingway (appointed 14 January 2013)
M L MacMahon (resigned 10 January 2013)
J Wild (appointed 14 March 2013)
D Taylor (appointed 10 January 2013 and resigned 21 February 2013)
Thomas Cook Group Management Services Limited (appointed 7 November 2012)

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.

Equal opportunities

The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status and offers appropriate training and career development for disabled staff. If members of staff become disabled, the Company continues employment wherever possible and arranges retraining.

Employee involvement

The Company is also committed to providing employees with information on matters of concern to them on a regular basis, so that the views of employees can be taken into account when making decisions that are likely to affect their interests. In the year the Company has held regular briefing meetings, supplemented by a range of staff magazines to encourage the involvement of employees. Surveys are held regularly as a means of measuring the effectiveness of the ways in which staff are managed.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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).

Future Travel Limited

Director's report (continued)

Statement of directors' responsibilities (continued)

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;
- 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.

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

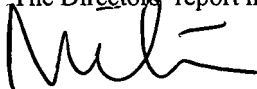
In accordance with Section 418 of the Companies Act 2006, in the case of each director in office at the date the directors' report is approved, the following applies:

- (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 a director 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
22 April 2014

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

Future Travel Limited

Strategic report

Business review and activities

Future Travel Limited is a majority owned subsidiary of Thomas Cook Group plc, ('the Group') a company that is listed on the London Stock Exchange. The principal activities of the Company during the year were that of a Telesales Travel Agent and the provision of Travel agents Management services.

The results for the Company show a pre-tax profit of £738k (2012: Loss £9k) for the year and turnover of £4,261k (2012: £5,763k (restated)). The Company has net liabilities of £994k (2012: £2,157k). The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of Thomas Cook Investments (2) Limited.

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.

The Company continues to supply Thomas Cook holiday products via a network of specialist travel advisors.

Financial risk management

The Company is subject to risks related to liquidity and cash flow risks, credit risk and counterparty credit risk within the framework of its business operations.

Liquidity and cash flow

The liquidity position of the Company is significantly influenced by the booking and payment pattern of customers. As a result, liquidity is at its lowest in the winter months and at its highest in the summer months. The Company manages the seasonal nature of its liquidity by making use of its bank revolving credit facility. Short-term liquidity is primarily invested in bank deposits.

Credit risk

The Company's principal financial assets are trade and other receivables, and amounts due from other Group undertakings. The Company's credit risk is primarily attributable to these trade 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. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Future Travel Limited

Strategic report (continued)

Financial risk management (continued)

Counterparty credit risk

The Company is exposed to credit risk in relation to deposits, derivatives with a positive fair value and trade and other receivables. The maximum exposure in respect of each of these items at the balance sheet date is their carrying value. The Company assesses its counterparty exposure in relation to the investment of surplus cash, foreign exchange and undrawn credit facilities. The Company uses published credit ratings, credit default swap prices and share price performance in the previous 30-day period to assess counterparty strength and therefore to define the credit limit for each counterparty.

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:

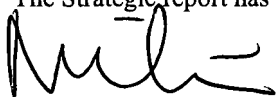
- Continued downturn in demand due to adverse global economic factors.
- Recruitment, development and retention of talented people
- Geo-political and regulatory.
- Failure of the Transformation plan to deliver against strategic and operational targets.
- Failure to respond to customer demand, or other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

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 Future Travel Limited. 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 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

22 April 2014

Registered office

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

Future Travel Limited

Independent auditors' report to the members of Future Travel Limited

Report on the financial statements

Our opinion

In our opinion the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 30 September 2013 and of its profit 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 Future Travel 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.

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.

Future Travel Limited

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

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.

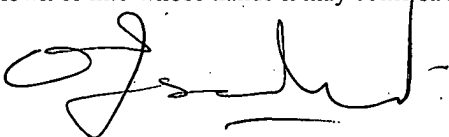
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 & 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 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
22 April 2014

Future Travel Limited

Registered number 03283092

Statement of comprehensive income Year ended 30 September 2013

| | Notes | Year ended 30 September 2013 £'000 | Year ended 30 September 2012 £'000 |
|---|-------|---|---|
| | | | Restated |
| Turnover | 1,3 | 4,261 | 5,763 |
| Cost of sales | 1 | - | - |
| Gross profit | | 4,261 | 5,763 |
| Operating expenses | 4 | (3,606) | (5,779) |
| Other Operating Income | | - | - |
| Operating profit/(loss) | | 655 | (16) |
| Interest receivable and similar income | 5 | 83 | 7 |
| Profit/(Loss) on ordinary activities before taxation | 6 | 738 | (9) |
| Tax on profit/(loss) on ordinary activities | 8 | 425 | (225) |
| Profit/(Loss) for the financial year | | 1,163 | (234) |
| Total comprehensive profit/(loss) for the year | | 1,163 | (234) |

All of the revenue and results arose from continuing operations.

There are no recognised income or expenses for either year other than the profit for the year; consequently no other comprehensive income has been presented.

Future Travel Limited
Registered number 03283092

Balance sheet
As at 30 September 2013

| | Notes | 30 September 2013 £'000 | 30 September 2012 £'000 |
|---|-------|-------------------------------|-------------------------------|
| Fixed assets | | | |
| Property, plant and equipment | 9 | 244 | 286 |
| Intangible assets | 10 | 4 | 7 |
| | | <u>248</u> | <u>293</u> |
| Current assets | | | |
| Trade and other receivables | 12 | 7,043 | 5,886 |
| Deferred tax asset | 13 | 177 | - |
| Cash at bank and in hand | 14 | 7,231 | 454 |
| | | <u>14,451</u> | <u>6,340</u> |
| Total assets | | <u>14,699</u> | <u>6,633</u> |
| Creditors: Amounts falling due within one year | | | |
| Trade and other payables | 15 | (15,693) | (8,695) |
| Provisions for liabilities | | - | (95) |
| | | <u>(15,693)</u> | <u>(8,790)</u> |
| Net current liabilities | | <u>(1,242)</u> | <u>(2,450)</u> |
| Total liabilities | | <u>(15,693)</u> | <u>(8,790)</u> |
| Net liabilities | | <u>(994)</u> | <u>(2,157)</u> |
| Capital and reserves | | | |
| Share capital | 16 | 101 | 101 |
| Retained earnings | | (1,095) | (2,258) |
| Total shareholders' deficit | | <u>(994)</u> | <u>(2,157)</u> |

The notes on pages 11 to 23 form part of these financial statements.

The financial statements were approved by the board of directors and approved for issue on 22 April 2014.

Signed on behalf of the board



N Arthur

Director

22 April 2014

Future Travel Limited

Statement of changes in equity Year ended 30 September 2013

| | Issued share capital £'000 | Retained earnings £'000 | Total £'000 |
|---|---|--|------------------------|
| Balance at 1 October 2012 | 101 | (2,258) | (2,157) |
| Profit for the year and total comprehensive profit for the year | - | 1,163 | 1,163 |
| Balance at 30 September 2013 | <u>101</u> | <u>(1,095)</u> | <u>(994)</u> |

Future Travel Limited

Notes to the financial statements (continued) Year ended 30 September 2013

1 General information

Future Travel Limited is a limited liability company incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is The Thomas Cook Business Park, Coningsby Road, Peterborough, Cambridgeshire, PE3 8SB, England. 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. The Company is a 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.

Restatement of results

In the year ended 30 September 2012 the company became a part of Thomas Cook Group plc and aligned its accounting policy with respect to revenue recognition to recognise tour operator sales as sales by principal rather than by an agent.

It has been determined that the company should not have been classified as a tour operator and accordingly revenue for the year ended 30 September 2012 has been restated.

| | 2013 £'000 | 2012 £'000 |
|--|---------------|-----------------|
| Revenue | | Restated |
| Revenue | - | 18,643 |
| Adjustment due to restatement of results | - | (12,880) |
| | - | 5,763 |
| Cost of sales | | Restated |
| Cost of sales | - | 12,880 |
| Adjustment due to restatement of results | - | (12,880) |
| | - | - |

Future Travel Limited

Notes to the financial statements (continued) **Year ended 30 September 2013**

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 unless otherwise stated.

Basis of preparation

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.

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 19.

As a result of FRS 101 being applicable to entities with a year-end from 1 January 2015, the Company has made the business decision to adopt the standard early (FRS 101 para.11). The effective date of adoption by the Company 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 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 the fellow group undertaking Thomas Cook Investments (2) Limited. This support has been formally provided and accordingly the directors of The Freedom Travel Group Limited have prepared these financial statements on a going concern basis

Future Travel Limited

Notes to the financial statements (continued) **Year ended 30 September 2013**

2 Significant accounting policies (continued)

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 the 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.

Fixed assets

Fixed assets are stated at historical cost, net of accumulated depreciation and any provision for impairment.

Where costs are incurred as part of the start-up or commissioning of an item of property, plant or equipment, and that item is available for use but incapable of operating in the manner intended by management without such a start-up or commissioning period, then such costs are included within the cost of the item. Costs that are not directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management are charged to the Statement of comprehensive income as incurred.

Depreciation on property and equipment, other than freehold land, upon which no depreciation is provided, is calculated on a straight line basis to write down their cost to their estimated residual value over their expected useful lives as follows:

| | |
|-----------------------------------|-------------|
| Furniture, fittings and equipment | 3 – 5 years |
|-----------------------------------|-------------|

The residual values and useful economic lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the proceeds received and the net book value of the asset on disposal, and is recognised on the date of disposal in operating profit.

Intangible assets

Goodwill arising on the acquisition of the assets and trade of a business represents any excess of the fair value of the consideration given over the fair value of the identifiable net assets or liabilities acquired. Goodwill is recorded at cost less accumulated impairment losses, and is reviewed for impairment at least annually. Any impairment is recognised immediately in the Company's Statement of comprehensive income and is not subsequently reversed.

Intangible assets other than goodwill are carried at cost less accumulated amortisation and are tested for impairment when there is an indication that the carrying value may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Amortisation is charged over the assets useful life as follows:

| | |
|-------------------|--------------|
| Computer software | 3 – 10 years |
|-------------------|--------------|

The gain or loss on disposal of computer software is calculated as the difference between the proceeds received and the net book value of the asset on disposal, and is recognised on the date of disposal in operating profit.

Future Travel Limited

Notes to the financial statements (continued) **Year ended 30 September 2013**

2 Significant accounting policies (continued)

Revenue recognition and associated costs

Revenue represents the aggregate amount of travel agency commissions receivable and other services supplied to customers in the ordinary course of business. Travel agency commission, insurance and other incentives, are recognised on holiday departure. Other revenue and associated expenses are recognised as earned or incurred.

Statement of comprehensive income presentation and exceptional items

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.

Tax

Tax represents the sum of tax currently payable and deferred tax. Tax is recognised in the Statement of comprehensive income unless it relates to an item recognised directly in equity, in which case the associated tax is also recognised directly in equity. Tax currently payable is provided on taxable profits based on the tax rates and laws that have been enacted or substantively enacted at 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, except as set out below. This is calculated on a non-discounted basis by reference to the average tax rates that are expected to apply in the relevant jurisdictions and for the periods 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.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Pensions

Pension costs charged against profits in respect of the Company's defined contribution scheme represent the amount of the contributions payable to the schemes in respect of the accounting period.

Foreign currency

Transactions in currencies other than the functional currency of the Company are translated at the exchange rate at 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 recognised in the Statement of comprehensive income.

Leases

Operating lease rentals are charged to the Statement of comprehensive income on a straight-line basis over the lease term.

Revenue in advance

Customer monies received at the balance sheet date relating to holidays commencing and flights departing after the year end is deferred and included within trade payables.

Future Travel Limited

Notes to the financial statements (continued) **Year ended 30 September 2013**

2 Significant accounting policies (continued)

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.

Non derivative financial instruments

The treatment of non-derivative financial instruments is set out below.

Trade receivables

Trade and other receivables are recognised initially at fair value less provision for impairment. A provision for impairment of trade receivables 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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The

carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of comprehensive income within 'selling and marketing costs'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'operating costs' in the Statement of comprehensive income.

Trade payables

Trade payables are recognised at their fair value.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Future Travel Limited

Notes to the financial statements (continued) Year ended 30 September 2013

2 Significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced to those affected by it.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Share capital

Ordinary shares are classified as share capital.

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.

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.

Gross or net recognition revenue streams

Judgments have to be made on an individual revenue stream basis as to whether it is most appropriate to recognise revenue at gross cost to the consumer or on a net commission receivable basis. This judgement centres around risk considerations and the extent of added value, amongst other factors.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Tax

Tax assets and liabilities represent management's estimate of tax that will be payable or recoverable in the future and may be dependent on estimates of future profitability.

In addition, estimates have been made in respect of the probable future utilisation of tax losses and deferred tax assets have been recognised. The recoverability of these assets is dependent on the agreement of the losses with the relevant authorities and the estimates of future profitability.

Provisions

Judgment and estimation is required in determining provisions.

3 Turnover

An analysis of the Company's revenue is as follows:

| | 2013 £'000 | 2012 £'000 Restated |
|---|---------------|---------------------------|
| Commission from sale of leisure travel services | 4,261 | 5,763 |

Future Travel Limited

Notes to the financial statements (continued) Year ended 30 September 2013

4 Operating expenses

| | 2013 £'000 | 2012 £'000 |
|-------------------------|---------------|---------------|
| Administrative expenses | (3,606) | (5,779) |

5 Interest receivable and similar income

| | 2013 £'000 | 2012 £'000 |
|--------------------------|---------------|---------------|
| Bank interest receivable | 83 | 7 |

6 Profit/(Loss) on ordinary activities before taxation

Profit/(Loss) before tax has been arrived at after charging:

| | 2013 £'000 | 2012 £'000 |
|--|---------------|---------------|
| Depreciation of property, plant and equipment – owned assets | 50 | 51 |
| Impairment of goodwill | - | 146 |
| Staff costs (see note 7) | 310 | 295 |

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.

7 Staff costs

The average monthly number of employees (including executive directors) was:

| | 2013 Number | 2012 Number |
|----------------------|----------------|----------------|
| Management and Admin | 11 | 15 |

| | £'000 | £'000 |
|---|-------|-------|
| Their aggregate remuneration comprised: | | |
| Wages and salaries | 268 | 252 |
| Social security costs | 26 | 27 |
| Pension costs | 16 | 16 |
| | 310 | 295 |

Future Travel Limited

Notes to the financial statements (continued) Year ended 30 September 2013

8 Tax on profit/(loss) on ordinary activities

| | 2013 £'000 | 2012 £'000 |
|---|---------------|---------------|
| Current tax | | |
| Adjustment in tax in respect of prior years | (461) | 15 |
| UK corporation tax charge for the year | 213 | 14 |
| Total current tax | (248) | 29 |
| Deferred tax | | |
| Deferred tax adjustment in respect of current years | (177) | 196 |
| Total deferred tax | (177) | 196 |
| Total tax (credit)/charge | (425) | 225 |

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.

The tax (credit)/charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

| | 2013 £'000 | 2012 £'000 |
|--|---------------|---------------|
| Profit/(loss) before tax | 738 | (9) |
| Profit/(loss) before tax multiplied by the current tax rate of 23.5% (2012: 25%) | 173 | (2) |
| Tax effect of: | | |
| Expenses that are not deductible for tax purposes | 28 | - |
| Adjustment in tax in respect of prior years | (461) | 15 |
| Current period deferred tax not recognised | - | 16 |
| Deferred tax brought forward (recognised)/no longer recognised | (188) | 183 |
| Deferred tax effect of change in tax rate | 23 | 13 |
| Tax (credit)/charge for the year | (425) | 225 |

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 effect of these changes has been to reduce the deferred tax asset by £23,000 as at 30th September 2013 (£13,000 as at 30th September 2012).

Future Travel Limited

Notes to the financial statements (continued) Year ended 30 September 2013

9 Property, plant and equipment

| | Furniture, fittings and equipment £'000 | Total £'000 |
|--|--|------------------------|
| Cost or valuation | | |
| At 1 October 2012 | 1,092 | 1,092 |
| Additions | 8 | 8 |
| Disposals | (754) | (754) |
| At 30 September 2013 | 346 | 346 |
| Accumulated depreciation and impairment | | |
| At 1 October 2012 | (806) | (806) |
| Charge for the year | (50) | (50) |
| Disposals | 754 | 754 |
| At 30 September 2013 | (102) | (102) |
| Carrying amount | | |
| At 30 September 2013 | 244 | 244 |
| At 30 September 2012 | 286 | 286 |

10 Intangible Assets

| | Goodwill £'000 | Other Intangibles £'000 | Computer Software £'000 | Total £'000 |
|--|---------------------------|--|--|------------------------|
| Cost | | | | |
| At 1 October 2012 | 230 | 14 | - | 244 |
| Disposals | - | (4) | - | (4) |
| At 30 September 2013 | 230 | 10 | - | 240 |
| Accumulated amortisation and impairment | | | | |
| At 1 October 2012 | (230) | (7) | - | (237) |
| Amortisation charge | - | (3) | - | (3) |
| Disposals | - | 4 | - | 4 |
| At 30 September 2013 | (230) | (6) | - | (236) |
| Carrying amount | | | | |
| At 30 September 2013 | - | 4 | - | 4 |
| At 30 September 2012 | - | 7 | - | 7 |

Amortisation of £3k (2012: £nil) has been included within operating expenses.

Future Travel Limited

Notes to the financial statements (continued) Year ended 30 September 2013

11 Investments

The Company holds 75% of the ordinary share capital and voting rights of the following company:

| Name of company | Country of incorporation | % ownership of ordinary shares | Principal activities |
|----------------------------------|--------------------------|--------------------------------|----------------------|
| The Freedom Travel Group Limited | England & Wales | 75% | Travel Agent |

The cost of the investment (£98k) was fully provided against in previous years.

12 Trade and other receivables

| | 2013 £'000 | 2012 £'000 |
|---|---------------|---------------|
| Amounts falling due within one year | | |
| Trade debtors | 185 | 33 |
| Less: provision for impairment of trade receivables | - | - |
| Trade receivables – net | 185 | 33 |
| Deposits and prepayments | 268 | 179 |
| Other receivables | 248 | 40 |
| Amounts due from Group undertakings | 6,342 | 5,634 |
| | <u>7,043</u> | <u>5,886</u> |

The amounts owed by Group undertakings are unsecured, repayable on demand and interest free.

13 Deferred tax asset

There are no offset deferred tax assets or liabilities in these financial statements.

The gross movement on the deferred income tax account is as follows:

| | 2013 £'000 | 2012 £'000 |
|----------------------------------|---------------|---------------|
| Beginning of year | - | 196 |
| Income statement credit/(charge) | 177 | (196) |
| End of year | <u>177</u> | <u>-</u> |

Future Travel Limited

Notes to the financial statements (continued) Year ended 30 September 2013

13 Deferred tax asset (continued)

Movements on the deferred taxation assets and liabilities are as follows:

| Deferred tax assets | Tax losses £'000 | Accelerated tax depreciation £'000 | Other £'000 | Total £'000 |
|---|---------------------|--|----------------|----------------|
| At 1 October 2012 | - | - | - | - |
| Current year tax credit to the income statement | 177 | - | - | 177 |
| Balance at 30 September 2013 | 177 | - | - | 177 |

At the balance sheet date, the company had short term timing differences of £853,000 (2012: £794,000) available for offset against future profits. In the prior period, no deferred tax asset was recognised in respect of short term timing differences of £794,000 due to the unpredictability of future profits.

14 Cash at bank and in hand

| | 2013 £'000 | 2012 £'000 |
|--------------------------|---------------|---------------|
| Cash at bank and in hand | 7,231 | 454 |
| | <u>7,231</u> | <u>454</u> |

15 Trade and other payables

| | 2013 £'000 | 2012 £'000 |
|-----------------------------------|-----------------|----------------|
| Current liabilities | | |
| Trade payables | (4,113) | (6,032) |
| Social security and other taxes | (230) | (292) |
| Accruals | (295) | (1,121) |
| Other payables | (20) | (134) |
| Amounts due to Group undertakings | (11,035) | (1,116) |
| | <u>(15,693)</u> | <u>(8,695)</u> |

The amounts owed to the Group undertakings are unsecured, payable on demand and interest free.

Future Travel Limited

Notes to the financial statements (continued) Year ended 30 September 2013

16 Share capital

| | 2013 £'000 | 2012 £'000 |
|---|---------------|---------------|
| Authorised: | | |
| 1,000 (2012:1000) ordinary shares of £1 each | 1 | 1 |
| 100,000 (2012:100,000) preference shares of £1 each | 100 | 100 |
| | <u>101</u> | <u>101</u> |
| Issued and fully paid: | | |
| 1,000 (2012:1,000) ordinary shares of £1 each | 1 | 1 |
| 100,000 (2012:100,000) preference shares of £1 each | 100 | 100 |
| | <u>101</u> | <u>101</u> |

The preference shares entitle the holder to receive a return of assets in the event that the company is wound up, in preference to the ordinary shareholders. The preference shares, which are irredeemable, do not carry rights to income, profits participation or voting at general meetings.

17 Directors' remuneration

Directors' emoluments

Directors' emoluments are paid 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.

18 Related party transactions

Transactions between the Company and other members of the Thomas Cook Group are disclosed below.

| | Sale of goods | Purchase of goods | Amounts owed by related parties | Amounts owed to related parties |
|---|------------------|----------------------|--|--|
| Trading transactions | 2013 £'000 | 2013 £'000 | 2013 £'000 | 2013 £'000 |
| Parent and fellow subsidiary undertakings | 1,310 | - | 6,342 | (10,919) |
| | Sale of goods | Purchase of goods | Amounts owed by related parties | Amounts owed to related parties |
| Trading transactions | 2012 £'000 | 2012 £'000 | 2012 £'000 | 2012 £'000 |
| Parent and fellow subsidiary undertakings | 1,844 | - | 5,488 | (4,753) |

Future Travel Limited

Notes to the financial statements (continued) **Year ended 30 September 2013**

18 Related party transactions (continued)

The Company's revenue represents the aggregate amount of travel agency commissions receivable and other services supplied to customers in the ordinary course of business. Only the commission receivable element of a holiday payment is recognised in the income statement - the balance of the amount payable by the customers is collected by the Company on behalf of the travel provider and is not included in either purchases or sales.

The amounts outstanding are unsecured and will be settled in the normal course of business. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Other trading transactions

During the year, the Company did not enter into any transactions with related parties who are not members of the Thomas Cook Group.

19 Ultimate controlling party

The Company is a subsidiary of Co-op Travel Group 2 Ltd, 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.