

Airtours Quest Trustee Limited

Annual report and financial statements
for the year ended 31 October 2006

Registered number 3609850



Airtours Quest Trustee Limited

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Airtours Quest Trustee Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements, for the year ended 31 October 2006

Business review and principal activities

The Company is a wholly owned subsidiary of MyTravel Group plc. The principal activity of the Company is to act as the trustee of an Inland Revenue approved qualifying share ownership trust.

During the year Airtours Quest Trustee Limited was a wholly-owned subsidiary of MyTravel Group plc. Following the completion of the MyTravel Group plc and Thomas Cook AG merger post year end the company became a wholly-owned subsidiary of Thomas Cook Group plc as of 19th June 2007 under the ultimate control of Arcandor AG (see note 10).

As the company has not traded during the year, no income statement has been prepared.

Principal risks and uncertainties

There are no significant risks or uncertainties.

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.

Directors

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

G J McMahon

I H Anderson

M Vaux

Resigned 18 July 2006

Appointed 18 July 2006

Airtours Quest Trustee Limited

Directors' report

Directors' interests

No director has any interest in the share capital of the Company

The directors who held office at 31 October 2006 had the following interests in the shares of MyTravel Group plc, the parent undertaking

	Ordinary shares of 30p each		2005 Management Incentive Plan	
	2006 Number	2005* Number	2006 Number	2005* Number
G J McMahon	415	415	135,861	543,445
M Vaux	-	-	37,889	37,889

* 31 October 2005 or date of appointment

Auditors

For the year ended 31 October 2006, no audit has been performed as permitted by the provisions of section 249AA(1) of the Companies Act 1985. Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

By order of the Board,



G J McMahon
Director

Date 14 August 2007

Registered office
Holiday House
Sandbrook Park
Sandbrook Way
Rochdale
Lancashire
OL 11 1SA

Airtours Quest Trustee Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and financial statements

The directors have chosen to prepare accounts for the Company in accordance with International Financial Reporting Standards. Company law requires the directors to prepare such financial statements in accordance with International Financial Reporting Standards, the Companies Act 1985 and Article 4 of the IAS Regulation. International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements". In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards. Directors are also required to

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in International Financial Reporting Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance, and
- prepare the accounts on a going concern basis unless, having assessed the ability of the Company to continue as a going concern, management either intends to liquidate the Company or to cease trading, or have no realistic alternative but to do so

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report which complies with the requirements of the Companies Act 1985

Airtours Quest Trustee Limited

Balance sheet

31 October 2006

	Notes	31 October 2006 £	31 October 2005 £
Current assets			
Cash and cash equivalents	4	54,159	54,159
Total assets		<u>54,159</u>	<u>54,159</u>
Current liabilities			
Trade and other payables	5	(68,659)	(68,659)
Total liabilities		<u>(68,659)</u>	<u>(68,659)</u>
Net liabilities		<u>(14,500)</u>	<u>(14,500)</u>
Equity			
Called-up share capital	6	1	1
Retained deficit	7	(14,501)	(14,501)
Total equity		<u>(14,500)</u>	<u>(14,500)</u>

For the year ended 31 October 2006 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985

Members have not required the company to obtain an audit in accordance with section 2249B(2) of the Companies Act 1985

The directors acknowledge their responsibility for

- Ensuring the company keeps accounting records which comply with section 221, and
- Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

The financial statements were approved by the board of directors and authorised for issue on *14 August* 2007. They were signed on its behalf by



G J McMahon
Director

Date *14 August 2007*

Airtours Quest Trustee Limited

Cash flow statement

Year ended 31 October 2006

The company had no cash flows in either the current or prior period, its cash flow obligations were settled by a fellow group undertaking. Accordingly, no separate cash flow statement has been presented with these financial statements.

Airtours Quest Trustee Limited

Notes to the financial statements

Year ended 31 October 2006

1 General information

Airtours Quest Trustee Limited is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is given on page 3. 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 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 MyTravel Group plc, a company incorporated in Great Britain, 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.

At the date of authorisation of these financial statements, there were no Standards and Interpretations which were in issue but not yet effective which would have any material impact on the financial statements of the Company.

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 presented and to the opening balance sheet prepared as at 1 November 2004, the Company's date of transition to IFRS (see below), unless otherwise stated.

Adoption of International Financial Reporting Standards (IFRS)

This is the first set of financial statements prepared in accordance with IFRS adopted for use in the European Union. Airtours Quest Trustee Limited financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) until 31 October 2005. Although UK GAAP differs in some areas from IFRS, the adoption of IFRS has not resulted in the restatement of the comparative figures for 2005.

The Company has adopted Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 November 2005.

First-time adoption of IFRS

For the year ended 31 October 2006 the Company has applied the principles set out in IFRS 1 - First-time Adoption of International Financial Reporting Standards (IFRS 1), which has been applied in preparing these financial statements.

As there was no effect on the Company's balance sheet, income statement or cash flows arising from the transition from UK GAAP to IFRS, the reconciliations and the descriptions of the effect of the transition required by IFRS 1 have not been provided.

Basis of accounting

These financial statements have been prepared in accordance with IFRS and IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have also been prepared in accordance with IFRS adopted for use in the European Union and therefore comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments where required.

3 Administrative expenses

The Company has no employees. Certain administrative expenses of the Company, including directors' remuneration, were borne by MyTravel Group plc, the Company's parent undertaking, during both accounting periods with no recharge made to the Company as the directors spend the majority of their time on other group companies.

Airtours Quest Trustee Limited

Notes to the financial statements

continued

Year ended 31 October 2006

4 Cash and cash equivalents

Cash and cash equivalents comprise cash held at bank by the Company

	31 October 2006 £	31 October 2005 £
5 Trade and other payables		
Amounts due to group undertakings	<u>68,659</u>	<u>68,659</u>

Loans receivable are denominated in sterling No interest is charged

The directors consider that the carrying amount of trade and other receivables approximates their fair values

	31 October 2006 £	31 October 2005 £
6 Called-up share capital		
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Called-up, allotted and fully paid</i>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

7 Retained deficit		£
Balance at 1 November 2005 and 31 October 2006		<u>(14,501)</u>

	Year ended 31 October 2006 £	Year ended 31 October 2005 £
8 Related party transactions		
Transactions between the Company and other members of the MyTravel Group were as follows		
Amounts owed to related parties	68,659	68,659

9 Ultimate controlling party

The Company is a wholly-owned subsidiary of MyTravel Group plc which is the ultimate holding company and controlling party The largest and smallest group in which the results of the Company are consolidated is that headed by MyTravel Group plc Copies of the MyTravel Group plc financial statements can be obtained from its registered office at Holiday House, Sandbrook Park, Sandbrook Way, Rochdale, Lancashire, OL11 1SA

10 Events after the balance sheet date

On 19 June, the company's ultimate parent, MyTravel Group plc, completed a merger transaction with Thomas Cook AG, as a result of which the enlarged group is owned 52% by Arcandor AG (formerly KarstadtQuelle AG) and 48% by the shareholders of MyTravel Group plc (calculated on a fully diluted basis) As part of this transaction, all parties entered into a relationship agreement that enshrined the principle agreed between the parties that, following completion of the transaction, the enlarged group will operate independently from Arcandor AG and in accordance with the highest standards of corporate governance best practice It also sets out the agreement of the parties regarding the composition of the Board of the enlarged group

IAS 24 required disclosure of the company's ultimate controlling party. On the basis of the detailed provisions of the relationship agreement, following the merger transaction the directors consider this to be Arcandor AG, albeit that this agreement places restrictions on the ability of Arcandor AG to exercise the voting rights associated with its 52% holding in the enlarged group.