

The Freedom Travel Group Limited
Annual report and financial statements
for the year ended 30 September 2017

Registered number 03816981

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The Freedom Travel Group Limited

Contents

	Page(s)
Strategic report	1-7
Directors' report	8-9
Independent auditor's report	10-11
Statement of comprehensive income	12
Balance sheet	13
Statement of changes in equity	14
Notes to the financial statements	15-27

The Freedom Travel Group Limited

Strategic report

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

Business review and activities

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

The results for the Company show a profit on ordinary activities before taxation of £0.8million (2016: £1.6million) for the year and turnover of £3.9million (2016: £4.5million). Net margins have been challenged compared to prior year due to increased average discount per booking. The Company's sales mix has also changed compared to prior year with mainstream charter holidays forming a larger share. Hurricane Irma affected Caribbean departures, although customer confidence is slowly returning, especially for Cuba which is one of the Company's most popular Caribbean islands. Demand for holidays across North Africa remains subdued and has affected customer numbers. Tunisia and the Sharm el Sheikh airport in Egypt remained closed to UK tourists during the financial year. The Company has implemented a robust approach towards operational efficiencies including improving our handling of illness claims and the assessment processes, as a result the claim rate has declined and we are continually monitoring the situation.

At the balance sheet date the Company has net assets of £2.4million (2016: £3.0million). The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the Group.

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

The Company's key objectives are to improve revenues through organic growth and member support, securing industry leading commercial relationships, innovation and development and also operational excellence.

Building and developing long-term supplier relationships are a key factor in attracting and retaining members and also in driving higher margins. The Company is highly focused on giving members access to the products that customers are demanding.

Cost management is also another important element in a successful business. The Company also benefits from the control the Group has over its purchasing of hotel accommodation, aviation and overhead costs. In these areas, the Group has taken action to coordinate purchasing across its segments, leveraging its combined scale.

For six consecutive years, the travel and tourism sector has outperformed the global economy. The 10-year forecast from the World Travel and Tourism Council anticipates this trend to continue, with average growth of 3.9 percent per year, versus a forecast of GDP growth of 3.8 percent.

The Freedom Travel Group Limited

Strategic report (continued)

Principal risks and uncertainties

The Group, of which the Company is a component, has identified a number of principal risks and uncertainties that could potentially damage the current business model and future growth opportunities. These principal risks and uncertainties, along with mitigating actions, are listed below:

Strategic initiatives

We continue to implement our strategy for profitable growth, which involves significant changes to our businesses and operations, as well as our underlying processes and systems. Due to the complexity of these changes, there is a risk that we will not deliver the targeted benefits.

- Weekly Executive Committee meetings attended by senior management during which progress and issues are discussed and addressed.
- Financial benefits and KPIs are incorporated in the business plan and delivery is tracked as part of the business review process.
- Each project or programme has its own steering group which provides challenge to the project, monitors progress and ensures that decisions are made at the appropriate level.

Customer satisfaction

Technological advances have had a significant impact on consumer behaviour by increasing price transparency and availability of travel products as well as a proliferation of online reviews about travel experiences. Consequently, competition for travel services is increasing and Thomas Cook must differentiate itself by providing a high-quality holiday experience. Inability to consistently meet customer expectations may have an adverse impact on Thomas Cook's market share.

- Our implementation of the Customer Experience Roadmap is progressing well and is on track to be fully embedded into the business by 2020. This has strengthened our focus on customer excellence and is improving our ability to respond to shifts in consumer behaviours.
- We have refreshed our organisational values to ensure clear alignment with our Customer Promises of Quality, Service, and Reliability. All employees received training on our Customer Promises and the new organisational values, which helps foster a culture of customer excellence.
- The 24-Hour Hotel Satisfaction Promise has been extended to apply to most of our differentiated properties and continues to receive positive customer feedback.
- We regularly review our customer journey map to identify innovative holiday features such as 'Choose Your Room'.
- We have a robust hotel quality review process.
- We proactively monitor our Net Promoter Score (NPS) to identify and address areas for improvement at each stage of the customer journey.

Quality of our products and services

Our success and future growth depend upon the introduction and expansion of products and services that appeal to consumers. If we are unable to provide the right new products and services to rapidly changing customer demands and preferences, it may have an adverse effect on our business.

- We are continuing to invest into our own-branded hotel portfolio, which contributes to higher customer satisfaction and margin. This summer we opened 11 own-branded hotels across Bulgaria, Croatia, Italy, Turkey, Spain, Greece, Cyprus, and the Maldives. In 2018 we are planning to launch a further 11 own-branded hotels.
- Our aim is to reduce the number of hotels within our differentiated portfolio. This allows us to focus our resources into developing a better experience for our customers.
- We have entered into a strategic partnership with LMEY Investments, a Swiss-based hotel property development company, to further develop and grow Thomas Cook's own-brand hotel portfolio.
- We have signed a multi-year agreement with Expedia which will provide our customers with over 60,000 more hotels in global city and European domestic locations than currently on offer.
- We have launched the 'Choose Your Room' service which allows customers to pick the hotel room of their choice. It is initially available at 50 hotels and will be available in 300 by summer 2018. The service raises the bar in terms of the quality and value we offer our customers. Personalised add-ons and ancillaries are real drivers of profitable growth.

The Freedom Travel Group Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Digital strategy

Our distribution approach has to be aligned with customer demands and preferences and be able to adapt to rapid changes in technology. If we are not successful in adapting our approach it may have an adverse effect on our market share, profitability and future growth.

- We continue to improve our websites, which is leading to strong growth in web bookings for our major markets, our OneWeb platform is now fully operational in the UK.
- In an effort to attract more customers to our websites, we have developed rich and inspirational content. This year we have added 80,000 images and 130 hotel videos.
- Our Companion App is available for our customers to support them during their entire journey.

Talent

Failure to recruit or to retain the right people at the right time will lead to a lack of capability or capacity to enable the delivery of our business strategy.

- Our annual engagement survey allows us to assess employee commitment and identify actions we need to enable talent retention. We will therefore introduce with effect from FY18, a new commitment index designed to focus leaders on those areas which will drive commitment to the organisation to deliver the business strategy.
- Our high potential talent have been identified by using a matrix of performance and potential. Those identified have targeted development plans based on their career aspiration.
- Graduate programmes were introduced in 2016 to further strengthen succession and were further expanded in 2017.
- Our Group Leadership Development programme for direct reports to Senior Leaders commenced in 2017, targeting those identified as having potential for senior leadership roles.
- The recent appointment of the new CFO following the retirement of the current CFO was done through internal channels demonstrating effective succession planning.

IT infrastructure

We are increasingly dependent on technology to reduce costs and to enhance customer service. If our IT architecture is unable to support the needs of the business, our business may be adversely affected.

- Our service delivery process ensures demands from the business are addressed in a timely manner.
- We have a robust governance framework that enables IT to align with and meet the needs of the business.
- We have commenced a major change programme which involves simplifying and harmonising our IT landscape and will lead to significant operational efficiencies.

Cyber security

Information security and cyber threats are currently a priority across all industries and remain a key Government agenda item. We recognise that we have high risk exposure in this area. Our review of this area indicates that the Group is particularly sensitive to criminal activity against our brand, reputation and revenue as well as ransomware/malware attacks.

- We are currently implementing a robust Cyber Security Strategy based on five objectives: Protect, Detect, Deter, Respond, and Recover.
- The Strategy is aligned with internationally recognised standards of Cyber security from the ISO 27001 series and is designed to be quickly adaptable to the changing cyber threat landscape.
- Our Cyber Security Steering Group, which meets monthly, monitors progress of the Cyber Security Strategy implementation and ensures appropriate mitigations are in place for all high risk areas. The Audit Committee also receives regular updates regarding progress on cyber risk mitigation.
- We are currently undertaking a project to achieve compliance with the General Data Protection Regulation by May 2018. As part of this project we are enhancing our information security measures to ensure the confidentiality, integrity, availability and resilience of our processing systems. This work complements our Cyber Security Strategy and serves as an additional mitigation of this risk.

The Freedom Travel Group Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Cash and working capital

Our ability, over the longer term, to generate sufficient cash flow to make scheduled payments on our debt will depend on our future operational performance, which will be affected by a range of economic, financial, regulatory, competitive and business factors; many of which are outside of our control.

- We proactively monitor our short, medium and long-term cash requirements and liquidity headroom. Our new bank facility will further increase headroom.
- Our cost-out and profit improvement initiatives are successfully contributing to cash availability.
- We continue to monitor all opportunities to manage liquidity requirements and maintain an adequate level of contingency as well as seeking to lower the average cost of debt over the medium-term.

Health and safety

Due to the nature of our industry, the Group will always be exposed to the risk of a health and safety incident en route to a destination, in the accommodation or during an excursion. A health and safety incident could have a negative impact on our reputation.

- The markets in which we operate each have their own health and safety regulations. We are currently focused on enhancing our policies and procedures by finding best practice from each of the markets in order to define a common Group standard. The policies address all major risk areas including swimming pools, balconies, transport, excursions, fire and hygiene.
- Our Health and Safety Audit Programme, which is delivered by reputable external specialists (SGS and Cristal), verifies compliance with Federation of Tour Operators and industry standards and includes a robust follow-up process. We continue to make improvements to our audit programme; most recently we engaged an external specialist to perform hygiene and security audits.
- The Group Health, Safety, and Security Team regularly reviews and updates its safety and security training programmes to ensure they continue to reflect best practice.
- All new hotels are inspected by the internal Quality Team and SGS before opening to ensure robust standards are in place.
- We actively monitor the number of health and safety incidents and over the last few years we have seen a significant rise in fraudulent customer illness claims by UK tourists. We have put in place prevention and detection measures (e.g. fraud investigators) in an effort to address this issue.

Geopolitical uncertainties

A significant decline in customer demand due to the growing threat of terrorist attacks in our key tourist destinations, specifically Turkey, may lead to a decrease in revenue from our branded, selected and complementary hotels.

- Our flexible business model allows us to align our committed capacity to fluctuating demand. We continue to rebalance our destination mix and add new destinations to our portfolio, thereby mitigating the impact of geopolitical events.
- We have developed a Hotel Security Framework, which defines a set of minimum security standards that should be operational in our hotels. Implementation of the Framework will follow a risk-based approach, with risk destinations including Tunisia and Egypt as a priority.
- We proactively monitor the geopolitical landscape by partnering with the Risk Advisory Group, a leading independent global risk management consultancy that provides intelligence, investigations and security services.
- We continue to follow the guidance of the appropriate state departments relevant to our source market.
- We have a robust crisis management framework which we activate in the event of an incident.

The Freedom Travel Group Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Brexit

Our risk assessment of the UK's exit from the EU identified the following areas that could have a major impact on the Group's strategy:

- Loss of access to the European Single Aviation Market could have a significant impact on the ability of our UK Airline to operate in the EU and the US
- Loss of access to EU employment markets, including the ability for businesses to place temporary workers in EU Member States without additional barriers may cause a skill shortage in the UK and in destination.
- The Corporate Affairs Team has been proactively meeting with Government officials from both the UK and the EU to ensure our concerns are appropriately understood.
- The Brexit Working Group which includes representatives from Finance, Tax, HR, Communications, Legal, Risk, the Group Airline and the Tour Operating Segments was established in 2016 to ensure all risks and potential issues related to the UK's upcoming exit from the EU are being considered and addressed.
- Management is putting in place contingency plans for every eventuality with a particular focus on ensuring that our customers' holiday experience is not impacted.

Compliance with regulatory and legislative requirements

There is a risk that we do not comply with regulatory, legislative and corporate social responsibility requirements in the legal jurisdictions where Thomas Cook operates. In particular, in February 2017, the European Union Competition Commission launched an investigation into the travel industry regarding hotel accommodation agreements with a focus on the availability of hotel bookings and pricing between member states.

- We have a dedicated legal team, which works to ensure that we comply fully with regulatory requirements and which monitors all current and emerging regulatory developments in our source markets. The team receives regular training to provide awareness of critical changes in relevant legislation or case law.
- Our Code of Conduct is backed by a comprehensive training programme to ensure that it is fully embedded across the Group.
- Our Legal Risk Database enables communication and timely analysis of all risks related to regulatory, legislative and corporate social responsibility requirements.
- In regards to the EU Competition Commission investigation, Thomas Cook is committed to fair and open competition and will cooperate fully with the Commission through the process.

For further information on the potential impact of these risks and how they are mitigated by the Group, please refer to pages 54-59 of the Group's annual report.

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 risk

Liquidity and cash flow risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The liquidity position of the Company is significantly influenced by the 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.

The Freedom Travel Group Limited

Strategic report (continued)

Credit risk

Credit risk is the risk that an entity will cause a financial loss for the other party by failure to discharge an obligation. 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 and other receivables and amounts due from Group undertakings. 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.

Counterparty credit risk

The Company is exposed to credit risk in relation to deposits 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.

Key Performance indicators (KPI's)

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

Employee Engagement

The annual Group-wide employee engagement survey "Every Voice" provides our people with the opportunity to provide detailed feedback about how they feel across a number of areas such as clarity on the Company's direction; their views on our strategy; their confidence in their manager and the leadership; our culture; and how they feel about working for Thomas Cook.

The 5th annual Group-wide survey was completed by just over 19,013 colleagues, representing a response rate of 78 percent, something we attribute to the fact that 75 percent of our people said that they had seen positive actions taken based on results of our last survey.

Our 'Core Index' – an indication of a highly performing organisation – was 74 percent, level with 2016, and our engagement index rose by 1 percent to 77 percent. Customer orientation was at 83 percent, seeing the highest increase of all areas of our survey. This is particularly pleasing, given our 'Customer at our heart' focus. Our employee commitment remains high at 70 percent, and we saw a 2 percent increase in colleagues recommending Thomas Cook as an employer.

Each team builds an action plan off the back of their results, culminating in one overall plan for the Group. Action plans are reviewed closely by the Executive Committee to understand progress and ensure momentum is maintained.

The Freedom Travel Group Limited

Strategic report (continued)

Diversity and Inclusion

Our vision to be the world's most loved holiday company is supported by an internationally diverse workforce. We believe that improving our diversity will open up new ways of thinking, get us closer to our customers and drive profitable growth. We are committed to creating an inclusive working environment in which every employee is able to fulfil their potential through training, career development and fair promotion, regardless of personal characteristics.

Gender diversity has been a particular focus area for us in 2017. We introduced 'balanced' gender shortlists for the first time, for leadership roles, ensuring a fair and consistent selection of males and females. In the UK, we ran our second Women's sponsorship programme for high potential females, while in Germany, we introduced a family centre in our Head Office in Oberusel, to support working parents in their child care.

Our international diversity across our Leadership Team is strong, with 18 nationalities represented, the largest of which are British at 37 percent, German at 28 percent and Swedish at 9 percent. We are working to create a new international mobility framework, designed to encourage the movement of colleagues across different countries and markets.

Ethnicity is also an increasing subject of focus. We aim to establish an organisational benchmark in 2018 and establish a framework of activity based on the results. We remain committed to a fully diverse workforce which represents the wide range of ethnicities from both our customer base and the countries and destinations in which we operate.

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



S Bradley
Representing Thomas Cook Group Management Services Limited

28 March 2018

Registered office

Westpoint
Peterborough Business Park
Lynch Wood
Peterborough
Cambridgeshire
PE2 6FZ

The Freedom Travel Group Limited

Directors' report

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

Please refer to the Strategic report, set out on pages 1 to 7, for the business review, future developments and financial risk management of the Company.

Dividends

During the year the Company paid a dividend of £1,330k (2016: £5,909k). A final dividend of £1,580k is proposed.

Directors

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

PA Hemingway
Thomas Cook Group Management Services Limited

Company secretary

Shirley Bradley

Directors' indemnities

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

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework (FRS 101)*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Freedom Travel Group Limited

Directors' report (continued)

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

Pricewaterhouse Coopers LLP resigned as auditor of the Company with effect from 16 March 2017 and Ernst & Young LLP were appointed auditor for the financial year ended 30 September 2017. Ernst & Young LLP have agreed to continue in office as auditor of the Company.

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



S Bradley
Representing Thomas Cook Group Management Services Limited
28 March 2018

Registered office

Westpoint
Peterborough Business Park
Lynch Wood
Peterborough
Cambridgeshire
PE2 6FZ

Independent auditor's report to the members of The Freedom Travel Group Limited

Opinion

We have audited the financial statements of The Freedom Travel Group Limited for the year ended 30 September 2017 which comprise of the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Strategic Report and the Directors' report set out on pages 1 - 9, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of The Freedom Travel Group Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

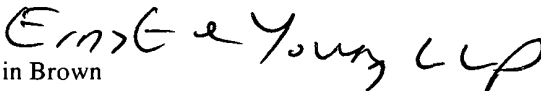
As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.


Colin Brown

Senior statutory auditor
for and on behalf of Ernst & Young LLP,
Manchester

29 March 2018

The Freedom Travel Group Limited

Statement of comprehensive income For the year ended 30 September 2017

		Year ended 30 September 2017 £'000	Restated Year ended 30 September 2016 £'000
	Notes		
Turnover	3	3,894	4,511
Gross profit		3,894	4,511
Administrative expenses	4	(3,106)	(2,998)
Operating profit		788	1,513
Gain from operations before exceptionals		788	1,769
Exceptional items	6	-	(256)
Interest receivable and similar income	5	59	113
Profit on ordinary activities before taxation	7	847	1,626
Tax on profit on ordinary activities	9	(90)	(325)
Profit for the financial year and total comprehensive income for the year		757	1,301

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.

The Freedom Travel Group Limited

Balance sheet

As at 30 September 2017

Registered number 03816981

	Notes	30 September 2017 £'000	30 September 2016 £'000
Fixed assets			
Tangible assets	10	-	-
		-	-
Current assets			
Debtors	11	22,217	1,707
Deferred tax asset	12	1	2
Cash at bank and in hand	13	17,511	25,838
		39,729	27,547
Creditors: Amounts falling due within one year			
Trade and other payables	14	(37,178)	(24,182)
		(37,178)	(24,182)
Net current assets		2,551	3,365
Total assets less current liabilities		2,551	3,365
Creditors: Amounts falling due after more than one year			
Trade and other payables	14	(164)	(405)
Net assets		2,387	2,960
Capital and reserves			
Called up share capital	15	130	130
Profit and loss account		2,257	2,830
Total shareholders' funds		2,387	2,960

The notes on pages 15 to 27 form part of these financial statements.

The financial statements on pages 12 to 27 were approved by the Board of Directors and approved for issue on 28 March 2018 and were signed on its behalf by



S Bradley
Representing Thomas Cook Group Management Services Limited
Date: 28 March 2018

The Freedom Travel Group Limited

Statement of changes in equity For the year ended 30 September 2017

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 1 October 2015	130	7,438	7,568
Profit for the financial year and total comprehensive income for the year	-	1,301	1,301
Dividend paid	-	(5,909)	(5,909)
Balance at 30 September 2016 and 1 October 2016	130	2,830	2,960
Profit for the financial year and total comprehensive income for the year	-	757	757
Dividend paid	-	(1,330)	(1,330)
Balance at 30 September 2017	130	2,257	2,387

The Freedom Travel Group Limited

Notes to the financial statements Year ended 30 September 2017

1 General information

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

Basis of preparation

The financial statements of the Company are prepared in accordance with Companies Act 2006 as applicable to Companies using FRS 101 'Reduced Disclosure Framework'.

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

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

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

- IFRS 7, 'Financial Instruments: Disclosures'
- Exemption from all disclosure requirements in IFRS 13, 'Fair value measurement' except for the following:
 - Paragraphs 36(4) and 55 to 57 (valuation models and techniques for financial instruments held at fair value)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows for the period)
 - 16 (statement of compliance with IFRS),
 - 38A-B (Detail in respect of minimum comparative information)
 - 38C-D (Additional comparative information)
 - Paragraph 79(a)(iv) - (A reconciliation of the number of shares outstanding at the beginning and end of the period for each class of shares need not be presented for prior periods)
 - 111 (cash flow statement information), and
 - 134 - 136 (Information on an entity's objectives, policies and processes for managing capital (qualitative and quantitative))
 - 39 (Detail in respect of minimum comparative information, including prior year opening balance Sheet)
 - 40 (Detail in respect of narrative information)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure in respect of new standards and interpretations that have been issued but which are not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)

The Freedom Travel Group Limited

Notes to the financial statements (continued) Year ended 30 September 2017

1 General information (continued)

Basis of preparation (continued)

- Paragraph 18A of IAS 24, 'Related party disclosures' to disclose amounts incurred by the entity for the provision of key management personnel services that are provided by a separate management entity.
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.
- Paragraph 73(e) of IAS 16, 'Property, plant and equipment' (a reconciliation showing the carrying amounts of property, plant and equipment at the beginning and end of the period need not be presented for prior periods)
- Paragraph 118(e) of IAS 38, 'Intangible assets' (a reconciliation showing the carrying amounts of intangible assets at the beginning and end of the period need not be presented for prior periods)
- Exemption from all disclosure requirements in IFRS 2 except for the following:
 - Paragraph 45(a) – A description of each type of share-based payment arrangement, including general terms and conditions, vesting requirements, term of options granted and method of settlement.
 - Paragraph 45(c) – For share options exercised during the period, the weighted average share price at the date of exercise. If options were exercised on a regular basis throughout the period, the weighted-average share price during the period can be disclosed.
 - Paragraph 45(d) – For outstanding share options, the range of exercise prices and weighted-average remaining contractual life.

Where relevant, equivalent disclosures have been given in the group financial statements of the Group. The consolidated financial statements of the Group are available to the public and can be obtained as set out in note 18.

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

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

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

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

The Freedom Travel Group Limited

Notes to the financial statements (continued) Year ended 30 September 2017

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.

Tangible assets

Tangible assets is 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 tangible assets, 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 tangible assets, 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
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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 tangible assets 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.

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.

The Company separately discloses in the income statement: exceptional items and amortisation of business combination intangibles.

Exceptional items, namely items that are material either because of their size or their nature, and which are non-recurring, are presented within their relevant income statement category, but highlighted through separate disclosure. The separate reporting of exceptional items helps provide a full understanding of the Company's underlying performance.

Items which are included within the exceptional category may include:

- profits/(losses) on disposal of assets or businesses and costs of acquisitions;
- costs of integration of significant acquisitions and other major restructuring programmes;
- significant goodwill or other asset impairments;
- material write-down of assets/reassessment of accruals, reflecting a more cautious evaluation in the light of current trading and economic conditions (excluding errors or prior year items);
- other individually material items that are unusual because of their size, nature or incidence

The Freedom Travel Group Limited

Notes to the financial statements (continued) Year ended 30 September 2017

2 Significant accounting policies (continued)

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.

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 classified as revenue in advance.

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 and other receivables

Trade and other receivables are recognised at their 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 Freedom Travel Group Limited

Notes to the financial statements (continued) Year ended 30 September 2017

2 Significant accounting policies (continued)

Trade and other receivables (continued)

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 administrative expenses. 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 and other payables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and term deposits which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less. Where the Company has the intention and ability to pool account balances, the net cash or overdraft position is disclosed.

Where the intention or ability to pool balances together is absent, the cash and overdraft are disclosed on a gross basis in the balance sheet.

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.

The Freedom Travel Group Limited

Notes to the financial statements (continued) Year ended 30 September 2017

2 Significant accounting policies (continued)

Key accounting estimates and judgments

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.

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:

Gross or net recognition revenue streams.

Judgements have to be made on an individual revenue stream basis as to whether it is most appropriate to recognise revenue at gross 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.

Tax

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

Deferred tax is recognised on all temporary differences arising from differences between the carrying amount of an asset or liability and its tax base, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting or taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, tax losses or credits carried forward can be utilised.

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

3 Turnover

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

Commission from sale of leisure travel services in the United Kingdom

2017 £'000	2016 £'000
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3,894	4,511
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4 Administrative expenses

2017 £'000	2016 £'000
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Administrative expenses

(3,106)	(2,998)
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The Freedom Travel Group Limited

Notes to the financial statements (continued) Year ended 30 September 2017

5 Interest receivable and similar income

	2017 £'000	2016 £'000
Interest receivable from Group companies	10	-
Bank interest receivable	11	-
Interest receivable on notional cash pooling arrangements with other members of Thomas Cook Group plc	38	113
	<u>59</u>	<u>113</u>

6 Exceptional items

	2017 £'000	Restated 2016 £'000
Business ways of working	-	(189)
Finance and IT transformation	-	(67)
	<u>-</u>	<u>(256)</u>

Business ways of working represents implementation costs relating to NUMO, the Group's new operating model.

Finance and IT transformation costs were incurred relating to the transformation initiatives of the Company.

Prior year has been restated due to reclassing a bad debt expense

7 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation has been arrived at after charging:

	2017 £'000	2016 £'000
Staff costs (see note 8)	<u>291</u>	<u>163</u>

Auditors remuneration is paid for centrally by Thomas Cook UK 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 Ernst & Young LLP and their associates by the Company in respect of non-audit services are disclosed in the financial statements of Thomas Cook Group plc.

The Freedom Travel Group Limited

Notes to the financial statements (continued) Year ended 30 September 2017

8 Staff costs

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

	2017 Number	2016 Number
Management and Admin	7	7
	£'000	£'000
Their aggregate remuneration comprised:		
Wages and salaries	246	131
Social security costs	31	24
Other pension costs	14	8
	291	163

9 Tax on profit on ordinary activities

	2017 £'000	2016 £'000
Current tax		
Adjustments in respect of prior years	14	-
UK corporation tax charge for the year	75	325
Total current tax	89	325
Deferred tax		
Deferred tax adjustment in respect of current years	1	-
Total deferred tax	1	-
Total tax charge	90	325

Corporation tax is calculated at 19.5% (2016: 20%) of the estimated assessable profit 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 20% to 19% effective from 1st April 2017.)

The tax charge for the year can be reconciled to the profit per the income statement as follows:

	2017 £'000	2016 £'000
Profit before taxation	846	1,626
Profit before tax multiplied by the current tax rate of 19.5% (2016: 20%)	165	325
Tax effect of :		
Expenses that are not deductible for tax purposes	1	-
Deferred tax not recognised	3	-
Group relief for nil consideration	(93)	-
Adjustments in respect of prior years	14	-
Total income tax charge for the year	90	325

The Freedom Travel Group Limited

Notes to the financial statements (continued) Year ended 30 September 2017

9 Tax on profit on ordinary activities (continued)

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

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

10 Tangible fixed assets

	Furniture, fittings and equipment £'000	Total £'000
Cost or valuation		
At 1 October 2016	15	15
Disposals	(15)	(15)
At 30 September 2017	-	-
Accumulated depreciation		
At 1 October 2016	(15)	(15)
Disposals	15	15
At 30 September 2017	-	-
Carrying amount		
At 30 September 2017	-	-
At 30 September 2016	-	-

The Freedom Travel Group Limited

Notes to the financial statements (continued) Year ended 30 September 2017

11 Debtors

	2017 £'000	2016 £'000
Amounts falling due within one year		
Trade debtors	291	235
Less: provision for impairment of trade receivables	-	(4)
Trade receivables – net	291	231
Other receivables	854	464
Deposits and prepayments	204	350
Accrued income	723	361
Amount due from Group undertakings (see note 17)	20,087	121
Social Security and other taxes	58	180
Total debtors	22,217	1,707

The amounts due from Group undertakings are unsecured and repayable on demand. The receivables from Group undertakings are not subject to restrictions on title and no collateral is held as security.

£20m (2016: £nil) of the amounts due from Group undertakings are interest bearing at the appropriate interbank interest rate plus a 0-3.5% margin. The remaining amounts due from Group undertakings are receivables that are non-interest bearing. All these financial assets are denominated in pound sterling.

12 Deferred tax asset

No deferred tax assets have been offset against deferred tax liabilities.

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

	2017 £'000	2016 £'000
Beginning of year	2	2
Statement of comprehensive income charge	(1)	-
End of year	1	2

Movements on the deferred taxation assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction are as follows:

Deferred tax assets	Accelerated tax depreciation £'000	Total £'000
At 1 October 2016	2	2
(Charged) / credited to the income statement	(1)	(1)
Balance at 30 September 2017	1	1

The Freedom Travel Group Limited

Notes to the financial statements (continued) Year ended 30 September 2017

12 Deferred tax asset (continued)

At the balance sheet date, the Company had deductible short term temporary differences of £91,000 (2016: £9,000) available for offset against future profits. No deferred tax asset has been recognised in respect of deductible short term temporary differences of £83,000 (2016: £nil) due to the unpredictable nature of future profits.

13 Cash at bank and in hand

	2017 £'000	2016 £'000
Cash at bank and in hand	17,511	25,838

14 Trade and other payables

	2017 £'000	2016 £'000
Amounts falling due within one year		
Trade payables	(12,866)	(14,426)
Accruals and Other payables	(4,912)	(2,083)
Corporation tax	(177)	-
Amounts due to Group undertakings	(19,223)	(7,673)
	<u>(37,178)</u>	<u>(24,182)</u>
Amounts falling due after more than one year		
Trade payables	(164)	(405)
Total Trade and other payables	<u>(37,342)</u>	<u>(24,587)</u>

The amounts due to Group undertakings are unsecured, repayable on demand and interest free.

15 Called up share capital

	2017 £'000	2016 £'000
Authorised:		
150,000 (2016: 150,000) ordinary shares of £1 each	150	150
	<u>150</u>	<u>150</u>
Issued and fully paid:		
130,000 (2016: 130,000) ordinary shares of £1 each	130	130
	<u>130</u>	<u>130</u>

The Freedom Travel Group Limited

Notes to the financial statements (continued) Year ended 30 September 2017

16 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.

No (2016: nil) directors are included in the final salary scheme for 2017. No gains were made by directors on the exercise of share options.

Directors' transactions

There were no loans, quasi-loans or other transactions with directors (or other key management personnel) which would need to be disclosed under the requirements of Schedule 6 of the Companies Act or IAS 24, "Related party disclosures".

17 Related party note

	Sale of goods	Purchase of goods	Amounts owed by related parties	Amounts owed to related parties
<i>Trading transactions</i>	2017 £'000	2017 £'000	2017 £'000	2017 £'000
Non-wholly owned subsidiaries	3,526	-	20,087	(19,223)

	Sale of goods	Purchase of goods	Amounts owed by related parties	Restated Amounts owed to related parties
<i>Trading transactions</i>	2016 £'000	2016 £'000	2016 £'000	2016 £'000
Non-wholly owned subsidiaries	3,275	-	121	(7,673)

The Company's revenue represents the amount of travel agency commissions receivable net of commissions passed on to independent travel agents, in the ordinary course of business. Only the commission receivable element of a holiday payment is recognised in the statement of comprehensive income - 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.

£20m (2016: £nil) of the amounts owed from related parties are unsecured and interest-bearing at the appropriate interbank interest rate plus a 0-3.5% margin. The remaining amounts due from related parties are receivables that are non-interest bearing.

The other 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 Group.

The Freedom Travel Group Limited

Notes to the financial statements (continued) **Year ended 30 September 2017**

18 Ultimate controlling party

The Company is a subsidiary of Future Travel Limited.

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.

19 Contingent liabilities

At 30 September 2017 the Company has given guarantees and counter indemnities to banks totalling £17.6m (2016: £15.4m) in respect of bonding, letter of credit and guarantee facilities. The Company is also a guarantor over bonding, letter of credit and guarantee facilities utilised by other UK subsidiaries of the Group. The Group potential liabilities in relation to total bonding, letter of credit and guarantee facilities are £17.6m (2016: £15.4m).

20 Dividends

During the year the Company paid a dividend of £1,330k (2016: £5,909k). A final dividend of £1,580k is proposed.

21 Subsequent events

On 30 November 2017 Thomas Cook Retail Limited settled the contingent consideration balance to acquire all of the shares in TCCT Holdings UK Limited held by Co-operative Specialist Businesses Limited. Also on 30 November 2017 Thomas Cook Retail Limited settled the contingent consideration balance to acquire all of the shares in TCCT Holdings UK Limited held by Central England Co-operative Limited. TCCT Holdings UK Limited is an intermediate parent company of The Freedom Travel Group Limited and is controlled by Thomas Cook Group plc.