

MyTravel North America Limited

Annual report and financial statements

for the year ended 30 September 2013

Registered number. 4184683

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MyTravel North America Limited

Contents

	Page
Strategic report	2
Directors' report	3
Independent auditors' report to the members of MyTravel North America Limited	5
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

MyTravel North America Limited

Strategic report

The directors present their Strategic report for MyTravel North America Limited (the 'Company') for the year ended 30 September 2013

Business review

The Company is a wholly owned subsidiary of the Thomas Cook Group Plc (the "Group") The principal activity of the Company is that of an investment holding company

During the year the Company assigned a receivable of \$227.9m from Thomas Cook USA Holdings to its subsidiary Buzzard Leisure Limited as a capital contribution. As a result of the value in use calculations performed at 30 September 2013, an impairment charge of \$215.5m (2012: \$87.0m) was booked against the carrying value of the investment in Buzzard Leisure Limited.

The Company made a loss for the year of \$225.1m (2012: loss of \$95.6m)

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

Principal risks and uncertainties

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

Key performance indicators

The directors manage the Group's operation 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 its business. The development, performance and position of the Corporate 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.

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



S Bradley
Representing Thomas Cook Group Management Services Limited
Director
30th June 2014

MyTravel North America Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the audited financial statements for the year ending 30 September 2013

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements, except as noted, were as follows

M L MacMahon (resigned 4th April 2013)
N J Arthur (appointed 4th April 2013 – resigned 3rd June 2014)
P A Hemingway (appointed 3rd June 2014)
Thomas Cook Group Management Services Limited

Company Secretary

S Bradley

Dividends

The directors do not recommend the payment of an ordinary dividend for year ending 30 September 2013 (2012 \$nil)

Principal activities and future developments

The principal activity of the Company is that of an investment holding company. The Directors are not aware at the date of this report of any likely major changes in the Company's activities in the next year.

Directors' indemnities

In accordance with its Articles, the Company has granted a qualifying third party indemnity, to the extent permitted by law, to each Director. This was in place during the financial year and at the date of signing the financial statements. The Company also maintains Directors' and Officers' liability insurance.

Supplier payment policy

It is the Company's policy to comply with the terms of payment agreed with suppliers. Where payment terms are not negotiated, the Company endeavours to adhere to suppliers' standard terms.

Charitable and political contributions

The Company made no charitable or political donations during the year (2012 \$nil).

Environment and employees

As the Company is not actively trading and has no direct employees (2012 nil), the directors do not consider it necessary to report on environmental or employment policies.

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,
- 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.

MyTravel North America Limited

Directors' report (continued)

Statement of directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

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 a fellow group company. The directors have received confirmation that Thomas Cook Investments (2) Limited intends to support the Company for at least one year after these financial statements are signed.

Provision of information to auditors

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

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to be re-appointed as auditors of the Company. A resolution will be proposed to the members 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

S Bradley



Representing Thomas Cook Group Management Services Limited

Director

30th June 2014

Registered Office:

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

MyTravel North America Limited

Independent auditors' report to the members of MyTravel North America Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the company's affairs as at 30 September 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by MyTravel North America Limited, comprise

- the Statement of comprehensive income for the year ended 30 September 2013,
- the Balance Sheet as at 30 September 2013,
- the Statement of changes in equity for the year ended 30 September 2013, and
- 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 is 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

MyTravel North America Limited

Independent auditors' report to the members of MyTravel North America Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations 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 to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

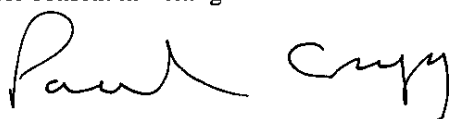
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3 & 4, 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



Paul Cragg (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

30 June 2014

MyTravel North America Limited
Statement of comprehensive income
For the year ended 30 September 2013

		Year ended 30 September 2013 \$'000	Year ended 30 September 2012 \$'000
	Note		
Impairment of investment	8	(215,475)	(87,023)
Other operating gain/(expense)	3	63	(404)
Loss from operations		(215,412)	(87,427)
Finance income	5	4,706	8,125
Finance cost	6	(14,434)	(14,468)
Loss before tax	4	(225,140)	(93,770)
Taxation	7	-	(1,817)
Loss and total comprehensive expense for the year		(225,140)	(95,587)
Attributable to Equity owners of the parent		(225,140)	(95,587)

The result for the year is wholly attributable to the continuing operations of the Company

MyTravel North America Limited

Registered number 4184683

Balance sheet as at 30 September 2013

	Note	30 September 2013 \$'000	30 September 2012 \$'000
Non-current assets			
Investments	8	86,726	74,334
Current assets			
Trade and other receivables	9	3,785	227,056
Total assets		<u>90,511</u>	<u>301,390</u>
Current liabilities			
Trade and other payables	10	(410,350)	(396,089)
Total liabilities		<u>(410,350)</u>	<u>(396,089)</u>
Net liabilities		<u>(319,839)</u>	<u>(94,699)</u>
Capital and reserves			
Called up share capital	11	190,866	190,866
Accumulated losses		(510,705)	(285,565)
Total shareholder's deficit		<u>(319,839)</u>	<u>(94,699)</u>

These financial statements on pages 7 to 15 were approved by the Board of Directors on 30th June 2014

Signed on behalf of the Board



S Bradley
Representing Thomas Cook Group Management Services Limited
Director

MyTravel North America Limited
Statement of changes in equity
For the year ended 30 September 2013

	Called up Share capital \$'000	Accumulated losses \$'000	Total shareholder's deficit \$'000
At 1 October 2011	190,866	(189,978)	888
Loss for the year and total comprehensive expense	-	(95,587)	(95,587)
At 30 September and 1 October 2012	190,866	(285,565)	(94,699)
Loss for the year and total comprehensive expense	-	(225,140)	(225,140)
At 30 September 2013	190,866	(510,705)	(319,839)

MyTravel North America Limited

Notes to the financial statements for the year ended 30 September 2013

1. General information

MyTravel North America Limited is a limited liability company incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office is The Thomas Cook Business Park, Coningsby Road, Peterborough, Cambridgeshire, PE3 8SB. The nature of the Company's operations and its principal activities are set out in the Director's report. These financial statements are presented in US Dollar because that is the currency of the primary economic environment in which the Company operates.

The Company is a wholly-owned subsidiary company and is included within the audited consolidated financial statements of Thomas Cook Group plc, a company incorporated in England and Wales, which have been prepared in accordance with International Financial Reporting Standards and filed with the Registrar of Companies. The Company is therefore exempt from the obligation to prepare consolidated financial statements in accordance with section 400 of the Companies Act 2006.

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

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

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

2. Significant accounting policies

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 12.

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

Going concern

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 a fellow group company. The directors have received confirmation that Thomas Cook Investments (2) Limited intends to support the Company for at least one year after these financial statements are signed.

MyTravel North America Limited

Notes to the financial statements for the year ended 30 September 2013

2. Significant accounting policies (continued)

Foreign currency

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

Administrative expenses

The Company has no employees (2012: nil). Administrative expenses of the Company, including audit fees of \$500 (2012: \$500) and directors' remuneration, were borne by Thomas Cook Group plc, the Company's parent undertaking, during both accounting years with no recharge made as the amounts were minimal.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Provision is made for deferred tax so as to recognise all temporary differences which have originated but not reversed at the balance sheet date that result in an obligation to pay more tax, or a right to pay less tax in the future. This is calculated on a non-discounted basis by reference to the average tax rates that are expected to apply in the relevant jurisdiction and for the year in which the temporary differences are expected to reverse. Deferred tax assets are assessed at each balance sheet date and are only recognised to the extent that their recovery against future taxable profits is probable.

Investments

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

Trade and other receivables

Trade and other receivables are recognised at their fair value and subsequently recorded at amortised cost using the effective interest method as reduced by allowances for estimated irrecoverable amounts. An allowance for irrecoverable amounts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows.

Trade and other payables

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

Share capital

Ordinary shares are classified as equity.

Critical judgments in applying the Company's accounting policies

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

Recoverable amounts of investments and loan receivables from fellow subsidiary undertakings

Judgments have been made in respect of the amounts of future operating cash flows to be generated by certain of the Thomas Cook Group businesses in order to assess whether there has been any impairment of the amounts included in the balance sheet for investments and loan receivables in relation to those businesses.

MyTravel North America Limited

Notes to the financial statements for the year ended 30 September 2013

3. Other operating gain/(expenses)

	Year ended 30 September 2013 \$'000	Year ended 30 September 2012 \$'000
Foreign exchange gain/(loss)	63	(404)
	<u>63</u>	<u>(404)</u>

4. Loss before tax

	Year ended 30 September 2013 \$'000	Year ended 30 September 2012 \$'000
Impairment of investment	(215,475)	(87,023)
Foreign exchange gain/(loss)	63	(404)
	<u>(215,412)</u>	<u>(87,427)</u>

5. Finance income

	Year ended 30 September 2013 \$'000	Year ended 30 September 2012 \$'000
Interest receivable from group companies	4,706	8,125
	<u>4,706</u>	<u>8,125</u>

6. Finance cost

	Year ended 30 September 2013 \$'000	Year ended 30 September 2012 \$'000
Interest payable on group borrowings	(14,434)	(14,468)
	<u>(14,434)</u>	<u>(14,468)</u>

MyTravel North America Limited

Notes to the financial statements for the year ended 30 September 2013

7. Taxation

	Year ended 30 September 2013 \$'000	Year ended 30 September 2012 \$'000
Analysis of tax charge for the year comprises		
Current tax		
UK corporation tax charge for the current year	-	-
Adjustments in respect of prior years	-	1,817
Current tax charge	-	1,817

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

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

	Year ended 30 September 2013 \$'000	Year ended 30 September 2012 \$'000
Loss before tax	(225,140)	(93,770)
Loss before tax multiplied by the current tax rate of 23.5% (2012: 25%)	(52,908)	(23,443)
Expense not deductible for tax	50,623	21,756
Adjustments in respect of prior years	-	1,817
Group relief surrendered	905	-
Deferred tax not recognised	1,380	1,687
Tax charge for the year	-	1,817

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

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. There are no offset deferred tax assets or liabilities.

At the balance sheet date, the company had unused tax losses of \$5.9 million (2012: nil) available for offset against future profits. No deferred tax asset has been recognised in respect of unused tax losses of \$5.9 million (2012: nil) due to the unpredictability of future profits.

MyTravel North America Limited

Notes to the financial statements for the year ended 30 September 2013

8. Investments in subsidiaries

	\$'000
Cost	
At 30 September 2012	296,587
Additions	227,867
At 30 September 2013	524,454
Provision for impairment	
At 30 September 2012	222,253
Impairment loss	215,475
At 30 September 2013	437,728
Net book value	
At 30 September 2012	74,334
At 30 September 2013	86,726

During the year the Company assigned a receivable of \$227.9m from Thomas Cook USA Holdings to its subsidiary Buzzard Leisure Limited as a capital contribution. As a result of the value in use calculations performed at 30 September 2013, an impairment charge of \$215.5m (2012: \$87.0m) was booked against the carrying value of the investment in Buzzard Leisure Limited.

9. Trade and other receivables

	2013 \$'000	2012 \$'000
Amounts due from other group undertakings	3,785	227,056
	<u>3,785</u>	<u>227,056</u>

Amounts due from other group undertakings are repayable on demand. The directors consider the fair value to be equal to the book value. All amounts are denominated in US dollars.

10. Trade and other payables

	2013 \$'000	2012 \$'000
Amounts owed to group undertakings	410,350	396,089
	<u>410,350</u>	<u>396,089</u>
Currency analysis of loans from other group undertakings		
US Dollar	408,679	394,444
Sterling	-	84
Australian Dollar	1,671	1,561
	<u>410,350</u>	<u>396,089</u>

The amounts payable to group undertakings principally relate to the financing of the investments in subsidiary undertakings. The loans are repayable on demand. Interest rates for the year were fixed at 4.19% (2012: 4.19%) for the US Dollar loan and 7.375% (2012: 7.33%) for the Australian Dollar loan.

MyTravel North America Limited

Notes to the financial statements for the year ended 30 September 2013

11. Called up share capital

	2013 \$'000	2012 \$'000
Authorised		
150,000,000 (2012 150,000,000) Ordinary shares of £1 each	<u>213,540</u>	<u>213,540</u>
Allotted, called up and fully paid		
134,100,118 (2012 134,100,118) Ordinary shares of £1 each	<u>190,866</u>	<u>190,866</u>

The called up share capital has been translated using the exchange rate of £1 = \$1 4233, which was the spot rate on the date the shares were issued

The Company has one class of ordinary shares which carry no right to fixed income

12. Ultimate controlling party

The Company is a direct subsidiary of Thomas Cook Group UK Limited a company incorporated in England and Wales. The Company's ultimate parent company, and controlling party, is Thomas Cook Group plc

The smallest group of which MyTravel North America Limited is a member and in which the results of the Company are consolidated is that headed by Thomas Cook Group plc, which is registered in England and Wales. Copies of the Thomas Cook Group plc financial statements can be obtained from 3rd floor, south building, 200 Aldersgate, London EC1A 4HD

13. Principal subsidiaries

	Country of incorporation and operation	Proportion held by company (%)
Direct subsidiaries		
Buzzard Leisure Limited	United Kingdom	100