

Thomas Cook Investments (2) Limited

Annual report and financial statements

for the year ended 30 September 2012

Registered number 6062179

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Thomas Cook Investments (2) Limited

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Thomas Cook Investments (2) Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the audited financial statements and auditors' report for the year ended 30 September 2012

Business review & principal activities

The Company made a loss for the year of €30.5m (2011: €1,045.5m). The Company is a wholly owned subsidiary of Thomas Cook Group plc. 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.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Thomas Cook Group plc. The directors have received confirmation that Thomas Cook Group plc intend to support the Company for at least one year after these financial statements are signed.

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

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

Environment and employees

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

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.

Dividends

The directors do not recommend any dividend payment for year ended 30 September 2012. During the year ended 30 September 2011 a dividend of €110.0m was paid.

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:

N J Arthur	(Appointed 21 st February 2013)
D M Taylor	(Appointed 12 th February 2013, resigned 21 st February 2013)
M L MacMahon	(Resigned 12 th February 2013)

Thomas Cook Group Management Services Limited

Company Secretary

S Bradley

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. The Company also maintains Directors' and Officers' liability insurance.

Thomas Cook Investments (2) Limited

Directors' report (continued)

Independent auditors

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

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

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

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

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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

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

By order of the Board



S Bradley

Secretary

17 June 2013

Registered Office:

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

Thomas Cook Investments (2) Limited

Independent auditors' report to the members of Thomas Cook Investments (2) Limited

We have audited the financial statements of Thomas Cook Investments (2) Limited for the year ended 30 September 2012 which comprise the Income statement, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities, set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 September 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



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

16 June 2013

Thomas Cook Investments (2) Limited
Income Statement
For the year ended 30 September 2012

		Year ended 30 September 2012 €m	Year ended 30 September 2011 €m
Other operating income/(expense)	3	0.4	(1,017.6)
Finance expense	5	(30.9)	(28.0)
Loss before tax		(30.5)	(1,045.6)
Tax credit	6	-	0.1
Loss for the year		(30.5)	(1,045.5)

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

Thomas Cook Investments (2) Limited
Statement of comprehensive income
For the year ended 30 September 2012

	Year ended 30 September 2012 €m	Year ended 30 September 2011 €m
Loss for the year	(30.5)	(1,045.5)
Total comprehensive expense for the year	(30.5)	(1,045.5)
Attributable to equity owners of the parent	(30.5)	(1,045.5)

Thomas Cook Investments (2) Limited

Registered number 6062179

Balance sheet as at 30 September 2012

	Note	30 September 2012 €m	30 September 2011 €m
Non-current assets			
Investment in subsidiaries	7	1,748.4	1,748.4
Current assets			
Tax assets		5.4	5.0
Total assets		<u>1,753.8</u>	<u>1,753.4</u>
Current liabilities			
Trade and other payables	8	(1,650.8)	(1,619.9)
Total liabilities		<u>(1,650.8)</u>	<u>(1,619.9)</u>
Net assets		<u>103.0</u>	<u>133.5</u>
Equity			
Called-up share capital	10	600.0	600.0
Share premium		231.0	231.0
Accumulated losses		(728.0)	(697.5)
Total equity		<u>103.0</u>	<u>133.5</u>

The notes on pages 9 to 15 form part of these financial statements

These financial statements were approved by the Board of Directors on 14 June 2013

Signed on behalf of the Board,



S Bradley representing Thomas Cook Group Management Services Limited
Director

Thomas Cook Investments (2) Limited

Statement of changes in equity for the year ended 30 September 2012

	Called-up share capital €m	Share premium €m	Retained earnings/ (accumulated losses) €m	Total equity €m
At 30 September 2010	600 0	231 0	458 0	1,289 0
Dividend paid to parent company			(110 0)	(110 0)
Loss and total comprehensive expense	-	-	(1,045 5)	(1,045 5)
At 30 September 2011	600 0	231 0	(697 5)	133 5
Loss and total comprehensive expense	-	-	(30 5)	(30 5)
At 30 September 2012	600 0	231 0	(728 0)	103 0

Thomas Cook Investments (2) Limited

Notes to the financial statements for the year ended 30 September 2012

1. General information

Thomas Cook Investments (2) Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is at 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 Directors' report. These financial statements are presented in Euro 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 Great Britain, which have been prepared in accordance with International Financial Reporting Standards and filed with the Registrar of Companies. The Company is therefore exempt from the obligation to prepare consolidated financial statements 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 24 Amendment "Related parties" is effective for annual reporting periods commencing on or after 1 January 2011. The amendment clarifies the definition of related parties.

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

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

IFRS 9 "Financial Instruments" is effective for annual reporting periods commencing on or after 1 January 2015. The standard will eventually replace IAS 39 but currently only details the requirements for recognition and measurement of financial assets.

IAS 32 "Offsetting financial assets and liabilities" is effective for annual periods beginning on or after 1 January 2014, and provides clarification on the application of offsetting rules.

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

2. Significant accounting policies

Basis of preparation

The financial statements are prepared in accordance with IFRS and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have also been prepared in accordance with IFRS adopted for use in the European Union. The financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments where required. The principal accounting policies adopted are set out below and have been applied consistently to the periods presented.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Thomas Cook Group plc. The directors have received confirmation that Thomas Cook Group plc intend to support the Company for at least one year after these financial statements are signed.

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.

Thomas Cook Investments (2) Limited

Notes to the financial statements for the year ended 30 September 2012

2. Significant accounting policies (continued)

Investments

Investments in subsidiary undertakings are shown at cost less provision for impairment

Foreign currency

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

Trade payables and other payables

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

Cash flow statement

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

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Critical judgments in applying the Company's accounting policies

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

Recoverable amounts of investments

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

3. Other operating income/(expense)

	2012 €m	2011 €m
Exchange gain	0.4	-
Impairment of investments	-	(1,017.6)
	<u>0.4</u>	<u>(1,017.6)</u>

4. Loss before tax

	2012 €m	2011 €m
Exchange gain	0.4	-
Impairment of investments	-	(1,017.6)
	<u>-</u>	<u>(1,017.6)</u>

Auditors' remuneration is paid for centrally by Thomas Cook Retail Limited.

The Company had no employees (other than directors) throughout the year or preceding year.

The directors did not receive any remuneration from the Company during the year or preceding year. All remuneration was paid by fellow Group companies.

Thomas Cook Investments (2) Limited

Notes to the financial statements for the year ended 30 September 2012

5. Finance expense

	2012 €m	2011 €m
Interest payable on group borrowings	(30.9)	(28.0)
	<u>(30.9)</u>	<u>(28.0)</u>

6. Tax credit

	Year ended 30 September 2012 €m	Year ended 30 September 2011 €m
The tax credit for the year comprises		
Current tax		
UK corporation tax credit at 25% (2011 27%) for the current year	-	-
UK corporation tax adjustment in respect of prior years	-	(0.1)
	<u>-</u>	<u>(0.1)</u>

The tax credit for the year can be reconciled to the loss per the income statement as follows

Loss before tax	(30.5)	(1,045.6)
Expected tax credit at the UK corporation tax rate of 25% (2011 27%)	7.6	282.3
Effects of		
Adjustments to group relief in respect of prior years	-	(0.1)
Non tax deductible expenses	-	(274.6)
Group relief surrendered for nil consideration	(6.0)	(6.7)
Deferred tax not recognised	(1.6)	(0.9)
Tax credit for the year	<u>-</u>	<u>(0.1)</u>

The March 2012 Budget Statement announced a proposed reduction in the main rate of UK corporation tax from 26% to 24% from 1 April 2012 and a further reduction to 23% effective from 1 April 2013. Finance Act 2012 included legislation confirming this rate change. These changes have had no effect on these financial statements.

Further reductions in the main rate of Corporation Tax in the UK to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015 have also been proposed and are expected to be enacted separately. These changes have not been substantially enacted at the balance sheet date and therefore are not recognised in these financial statements. The overall effect of the proposed change, if applied to the deferred tax balance at the balance sheet date, would be immaterial.

At the balance sheet date, the company had unused tax losses of €6.2 million (2011 €3.3 million) available for offset against future profits. No deferred tax asset has been recognised in respect of unused tax losses of €6.2 million (2011 €3.3 million) due to the unpredictability of future profits.

Group relief was charged for in periods ending 30th September 2009 and earlier. Group relief is surrendered / received for nil consideration in subsequent periods.

Thomas Cook Investments (2) Limited

Notes to the financial statements for the year ended 30 September 2012

7. Investment in subsidiaries

	€m
Cost and net book value	
Cost at 30 September 2010, 2011 and 2012	2,766 0
Impairment at 30 September 2011 and 2012	(1,017 6)
	<hr/>
Net book value at 30 September 2011 and 30 September 2012	<u>1,748 4</u>

During the year ended 30 September 2011, the investment in MyTravel Group plc was impaired due to the deterioration of the economic climate, this has resulted in an impairment recognised in the Statement of comprehensive income for the year ended 30 September 2011 of €1,017 6m

A list of the Company's principal subsidiary undertakings is shown in note 13 to the financial statements

8. Trade and other payables

	2012 €m	2011 €m
Amounts owed to fellow Group undertakings	1,650 8	1,619 9
	<hr/>	<hr/>
	<u>1,650 8</u>	<u>1,619 9</u>

Amounts owing to fellow Group undertakings are repayable on demand. Loans totalling €977 1m (2011 - €940 1m) are interest bearing. Interest charged is based on the UK base rate or relevant LIBOR rate for the year of the loan.

The directors consider the fair value to be equal to the book value.

Thomas Cook Investments (2) Limited

Notes to the financial statements for the year ended 30 September 2012

9 Financial risk

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

Interest Risk

The Company is subject to risks arising from interest rate movements in connection with its intercompany loans on which interest is charged based upon LIBOR rates. The interest rate risk between group companies is not hedged as the group hedges its external exposure to interest rate risk.

Credit Risk

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

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

	2012		2011	
	Impact on loss before tax €m	Impact on equity €m	Impact on loss before tax €m	Impact on equity €m
5% (2011: 5%) increase in interest rates	(1.5)	(1.2)	(1.4)	(1.1)
5% (2011: 5%) decrease in interest rates	1.5	1.2	1.4	1.1

Capital risk

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

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

The Company monitors capital on the basis of net assets and the Company's strategy is to maintain a net asset position, the values of which are shown on the balance sheet at 30 September 2012 and 30 September 2011.

10. Called-up share capital

	2012 €m	2011 €m
Authorised		
1,500,000,000 (2011: 1,500,000,000) ordinary shares of 30 pence (40 cents) each	600.0	600.0
Called-up, allotted and fully paid		
1,500,000,000 (2011: 1,500,000,000) ordinary shares of 30 pence (40 cents) each	600.0	600.0

Thomas Cook Investments (2) Limited

Notes to the financial statements for the year ended 30 September 2012

11. Related party transactions

	Year ended 30 September 2012 €m	Year ended 30 September 2011 €m
Transactions between the Company and other members of the Thomas Cook Group were as follows		
Interest payable to fellow subsidiaries	30.9	28.0
Dividend paid to immediate parent company	-	110.0
Amounts owed to fellow subsidiaries	981.9	951.3
Amount due to immediate parent company	668.9	668.9

12. Ultimate controlling party

The Company is a wholly owned subsidiary of Thomas Cook Group plc

The smallest group of which Thomas Cook Investments (2) Limited is a member and in which the results of the Company are consolidated is that headed by Thomas Cook Group plc, which is registered in England and Wales. Copies of the Thomas Cook Group plc financial statements can be obtained from its registered office at 6th floor South, Brettenham House, Lancaster Place, London, WC2E 7EN.

Thomas Cook Investments (2) Limited

Notes to the financial statements for the year ended 30 September 2012

13. Principal subsidiaries

		Country of incorporation and operation	Proportion held by Company (%)	Proportion held indirectly (%)
UK	Airtours Holidays Transport Limited	England		100
	Airline Network plc	England		96.6
	Capitol Holdings Limited	Ireland		100
	Elegant Resorts Limited	England		100
	Gold Medal International Limited	England		96.6
	Gold Medal Travel Group plc	England		96.6
	Hotels4U.com Limited	England		100
	MyTravel UK Limited	England		100
	MyTravel 330 Leasing Limited	Cayman Islands		100
	Neilson Active Holidays Limited	England		100
	Neilson Hellas A E	Greece		100
	Neilsen Turizm Danismanlik VE Ticaret Ltd STI	Turkey		100
	O A Yacht Charter S A	Greece		95
	Praznik D O O Z A Turizam	Croatia		100
	Resorts Mallorca Hotels International S L	Spain		100
	Think W3 Limited	England		100
	Thomas Cook Airlines Limited	England		100
	Thomas Cook Aircraft Engineering Limited	England		100
	Thomas Cook Broking Limited	England		100
	thomascok.com Limited	England		100
	Thomas Cook Online Limited	Guernsey		100
	Thomas Cook Overseas Limited	England		100
	Thomas Cook Retail Limited	England		100
	Thomas Cook Scheduled Tour Operations Ltd	England		100
	Thomas Cook Services Limited	England		100
	Thomas Cook Tour Operations Limited	England		100
	Thomas Cook USA Travel Services Limited	England		100
	Thomas Cook TV Limited	England		100
	Thomas Cook Wholesale Limited	England		100
	White Horse Administration Services Limited	Ireland		100
	White Horse Insurance Ireland Limited	Ireland		100
Western Europe	Thomas Cook S A S	France		100
Northern Europe	Hoteles Sunwing S A	Spain		100
	MyTravel Denmark A/S	Denmark		100
	Oy Tjareborg AB	Finland		100
	Sunwing Ekerum AB	Sweden		100
	Thomas Cook Airlines Scandinavia A/S	Denmark		100
	Thomas Cook Northern Europe AB	Sweden		100
	Ving Norge A/S	Norway		100
	Ving Sverige AB	Sweden		100
North America	Thomas Cook Canada Inc	Canada		100
	Thomas Cook USA Holdings Inc	USA		100
Corporate	Airtours Channel Islands Limited	Jersey		100
	Airtours Finance Limited	Guernsey		100
	Blue Sea Overseas Investments Limited	England		100
	MyTravel Group plc	England	100	
	Parkway Limited Partnership No (1) L P	Guernsey		100
	Sandbrook Overseas Investments Limited	England		100
	Sandbrook UK Investments Limited	England		100
	Thomas Cook Continental Holdings Limited	England	100	
	Thomas Cook Group UK Limited	England		100
	Thomas Cook Group Treasury Limited	England		100
	Thomas Cook Investments (1) Limited	England		100
	Thomas Cook Investments (3) Limited	England		96.6
	Thomas Cook Treasury Limited	England		100
Joint Venture	Thomas Cook Personal Finance Limited	England		50