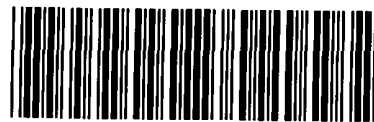


Co-op Group Travel 2 Holdings Limited
Annual report and financial statements
for the year ended 30 September 2017

Registered number 07413809

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Co-op Group Travel 2 Holdings Limited

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Co-op Group Travel 2 Holdings Limited

Strategic report

The directors present their Strategic report on the affairs of Co-op Group Travel 2 Holding Limited ('the Company'), together with the audited financial statements. This report covers the year ended 30 September 2017.

Business review and principal activities

The Company is a wholly owned subsidiary of TCCT Holdings UK Limited. The company is an intermediate investment holding company and is expected to remain so for the foreseeable future. The results of the Company show a profit for the financial year of £1.5 million (2016: £4.9 million). The Company has net assets of £1.6 million (2016: £24.1 million).

Thomas Cook Group plc, ('the Group'; 'Thomas Cook') operates in the UK through a number of subsidiary companies the activities of which include packaged holidays, airline operations, sales channels including retail & online, dynamic packaging / component travel businesses and scheduled tour operators.

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 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, comprise retail stores, online via various Group websites and call centres.

Principal risks and uncertainties

The Group, of which the Company is a component, have identified a number of principal risks and uncertainties that could potentially damage the current business model and future growth opportunities. 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 strategic report.

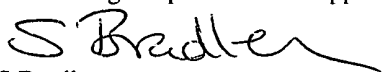
Financial risk management

The Company's risk management objectives and policies are not considered material for an assessment of the Company's assets, liabilities, financial position and result. The Company has no material exposure to price risk, credit risk, liquidity risk or cash flow risk.

Key performance indicators (KPI's)

The directors of Thomas Cook Group plc manage the Group's operations on a segmental basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of 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.

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



S Bradley

Representing Thomas Cook Group Management Services Limited

27 March 2018

Registered office

Westpoint
Peterborough Business Park
Lynch Wood
Peterborough
PE2 6FZ

Co-op Group Travel 2 Holdings Limited

Directors' report

The directors present their report on the affairs of ('the Company'), together with the audited financial statements. These audited financial statements cover the year ended 30 September 2017.

Please refer to the strategic report for the business review and financial risk management of the Company.

Dividends

During the year the Company paid an interim dividend of £24,000k (2016: £nil).

Directors

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

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 year. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Co-op Group Travel 2 Holdings 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 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.

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

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

27 March 2018

Registered office

Westpoint
Peterborough Business Park
Lynch Wood
Peterborough
PE2 6FZ

Independent auditor's report to the members of Co-op Group Travel 2 Holdings Limited

Opinion

We have audited the financial statements of Co-op Group Travel 2 Holdings Limited for the year ended 30 September 2017 which comprise of the Statement of comprehensive income, the Balance Sheet and Statement of changes in equity and the related notes 1 to 14, 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 Directors' report set out on pages 1 to 3, 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 auditors' report to the members of Co-op Group Travel 2 Holdings 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 directors' responsibilities statement set out on pages 2 to 3, 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.

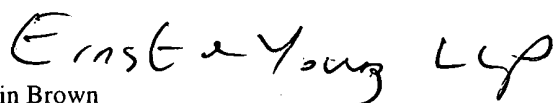
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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

Co-op Group Travel 2 Holdings Limited

Statement of comprehensive income For the year ended 30 September 2017

		Year ended 30 September 2017 £'000	Year ended 30 September 2016 £'000
	Note		
Income from shares in Group undertakings	3	1,525	4,921
Profit for the financial year		<u>1,525</u>	<u>4,921</u>

All amounts relate to continuing operations

There is no charge to taxation on the result for the year.

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

Co-op Group Travel 2 Holdings Limited

Balance sheet

As at 30 September 2017

Registered number 07413809

	Note	30 September 2017 £'000	30 September 2016 £'000
Fixed assets			
Investments	5	14,752	14,752
Current assets			
Trade and other receivables	7	16,835	39,310
Creditors: Amounts falling due within one year			
Amounts owed to group undertakings	8	(29,978)	(29,978)
Net current liabilities		(13,143)	(9,332)
Net assets		1,609	24,084
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		1,609	24,084
Total shareholders' funds		1,609	24,084

The notes on pages 9 to 14 form part of the financial statements.

The financial statements were approved by the board of directors and authorised for issue on 27 March 2018 and signed on its behalf by:



S Bradley
Representing Thomas Cook Group Management Services Limited
Date: 27 March 2018

Co-op Group Travel 2 Holdings 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
At 1 October 2015	-	19,163	19,163
Profit for the financial year	-	4,921	4,921
Balance at 30 September 2016 and 1 October 2016	-	24,084	24,084
Profit for the financial year	-	1,525	1,525
Dividend paid in the year	-	(24,000)	(24,000)
Balance at 30 September 2017	-	1,609	1,609

Co-op Group Travel 2 Holdings Limited

Notes to the financial statements Year ended 30 September 2017

1 General information

Co-op Group Travel 2 Holdings 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, PE2 6FZ. The nature of the Company's operations and its principal activities are set out in the Directors' report. These financial statements are presented in pounds sterling which is the Company's functional currency, because that is the currency of the primary economic environment in which the Company operates. The Company is a subsidiary company and is included within the audited consolidated financial statements of Thomas Cook Group plc ('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. The Company is therefore exempt from the obligation to prepare consolidated financial statements in accordance with section 400 of the Companies Act 2006.

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.

The Company is reliant on the support of the fellow group undertaking, 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.

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'

Co-op Group Travel 2 Holdings Limited

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

1 General information (continued)

Basis of preparation (continued)

- 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)
- 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.

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.

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.

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.

Subsidiary undertakings

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.

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.

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

Co-op Group Travel 2 Holdings Limited

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

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 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.

Key accounting estimates and judgements

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:

Recoverable amounts of investments

Judgements 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. See note 9.

3 Income from shares in Group undertakings

	2017 £'000	2016 £'000
Dividends received	1,525	4,921

4 Auditors' remuneration

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.

5 Investments

	£'000
Cost at 1 October 2016 and 30 September 2017	14,752
Carrying amount at 1 October 2016 and 30 September 2017	14,752

The investments are made up as follows:

	2017 £'000	2016 £'000
The Freedom Travel Group Limited	-	-
Future Travel Limited	14,752	14,752
	14,752	14,752

Co-op Group Travel 2 Holdings Limited

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

5 Investments (continued)

Investments in group undertakings are recorded at cost less impairment.

At the year end the company held investments in the following subsidiary undertakings

Name of company	Country of incorporation	% ownership of ordinary shares	Principal activities
Future Travel Limited (direct subsidiary)	England & Wales	88%	Travel agent
The Freedom Travel Group Limited (direct subsidiary)	England & Wales	25%	Travel agent

The investment in Future Travel Limited is considered to be a direct controlling shareholding. The investment in The Freedom Travel Group Limited is considered to be an indirect controlling shareholding.

6 Tax on profit on ordinary activities

	2017 £'000	2016 £'000
Current taxation:		
Total current tax	-	-
Total tax	-	-

Corporation tax is calculated at 19.5% (2016: 20%) of the estimated assessable profit for the period. This is the weighted average tax rate for the period following a reduction in the standard rate of UK Corporation Tax from 20% to 19% effective from 1 April 2017.

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

	2017 £'000	2016 £'000
Profit before tax	1,525	4,921
Profit before tax multiplied by the current tax rate of 19.5% (2016: 20%)	297	984
Income not liable for tax	(297)	(984)
Tax for the year	-	-

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.

Co-op Group Travel 2 Holdings Limited

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

7 Trade and other receivables

	2017 £'000	2016 £'000
Amounts falling due within one year:		
Amounts owed from Group undertakings	16,835	39,310

Amounts owed from Group undertakings are unsecured, payable on demand and interest free.

8 Creditors: Amounts falling due within one year

	2017 £'000	2016 £'000
Amounts owed to Group undertakings	(29,978)	(29,978)
	(29,978)	(29,978)

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

9 Called up share capital

	2017 £	2016 £
Allotted, issued and fully paid:		
100 (2016: 100) Ordinary shares of £1 each	100	100

10 Related party transactions and balances

	2017 £'000	2016 £'000
Dividends received from subsidiary undertakings (note 3)	1,525	4,921

At the balance sheet date the Company was owed £16,835k (2016: £39,310k) from related parties, which is shown within Amounts due from Group undertakings (note 7).

At the balance sheet date the Company owed £29,978k (2016: £29,978k) to related parties, which is shown within Amounts due to Group undertakings (note 8).

Co-op Group Travel 2 Holdings Limited

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

11 Directors' remuneration

Directors' emoluments

The directors who held office during the period were also directors of another company within the group, Thomas Cook UK Limited, and their emoluments for services to the Group and any pension contributions to defined contribution schemes are disclosed in the report and accounts of that company. The directors do not believe that it is practicable to apportion this amount between qualifying services as directors to the company and of fellow company undertakings.

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".

The Company has no employees other than the Directors (2016: Nil).

12 Ultimate controlling party

The company is a subsidiary of TCCT Holdings UK Limited, which is incorporated in England and Wales.

Thomas Cook Group plc, incorporated in England and Wales, is the Company's ultimate parent company and ultimate controlling party.

The largest and smallest group in which the results of the Company are consolidated is that of which Thomas Cook Group plc is the parent company. The consolidated financial statements of Thomas Cook Group plc may be obtained from 3rd Floor, South Building, 200 Aldersgate, London EC1A 4HD.

13 Dividends

	2017 £'000	2016 £'000
Interim dividend paid	24,000	-

14 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 the parent company of Co-op Group Travel 2 Holdings Limited and is controlled by Thomas Cook Group plc.