

TCCT Holdings UK Limited
Annual report
for the 14 month period ended 30 September 2012

Registered number 7714007

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TCCT Holdings UK Limited

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TCCT Holdings UK Limited

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Directors' report

The directors present their annual report on the affairs of the Company, together with the audited financial statements. This annual report covers the 14 month period since incorporation which ended on 30 September 2012.

Business review and activities

TCCT Holdings UK Limited is a wholly owned subsidiary of Thomas Cook Group plc ('the Group') a Company that is listed on the London Stock Exchange. The company is a non-trading intermediate holding.

The Company was incorporated on 21 July 2011 and forms the joint venture vehicle which is 66.5% owned by Thomas Cook Group Plc, 30% owned by the Co-operative Group Limited and 3.5% owned by Midlands Co-operative Society Limited. The joint venture transaction was completed on 1 October 2011.

On the 1 October 2011, the Company acquired £180,000,000 unsecured floating interest loan note issued by TCCT Retail Limited from TC Retail Limited for consideration of the shares issued as part of the JV. At the same time it also received £5,191,000 unsecured floating loan note and entire share capital of Midlands Co-op Travel Limited 40,000 £1 nominal shares and Midlands Co-op Travel Group Limited (now known as Thomas Cook CFX Limited) One £1 nominal share.

The results of the Company show a pre tax profit of £7,216,000 for the 14 month period to 30 September 2012. The Company has net assets of £235,691,000. Net cash outflow from operating activities for the period was £nil.

Thomas Cook Group plc 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.

Growth in international tourism is closely correlated to economic growth and has enjoyed strong and sustained growth for most of the last three decades. While the global economic crisis in 2008 and subsequent contraction in gross domestic product and employment, combined with fuel and currency volatility, have restrained growth in the recent years, the long term outlook for the industry remains attractive.

Principal risks and uncertainties

The UK group have identified a number of principal risks and uncertainties that could potentially damage the current business model and future growth opportunities:

- Downturn in the global economy and in the economies of our source markets leading to a reduction in demand for our products and services
- Failure to implement the UK turnaround plan
- Environmental risks and regulations
- Major health and safety incident
- Loss of or difficulty in replacing, senior talent

For further information on the potential impact of these risks, and the procedures implemented by the Group to mitigate these risks, please refer to pages 18-19 of the Group's annual report.

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Directors' report (continued)

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 TCCT Holdings UK Limited. 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 pages 28 to 31 of the Group's annual report which does not form part of this report.

Dividends

The directors do not recommend the payment of a dividend in respect of the period to 30 September 2012.

Directors

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

I S Ailles (appointed 27 September 2011)

P J Aird-Mash (appointed 27 September 2011, resigned 24 December 2012)

G C Barr (appointed 1 November 2011)

K A Billson-Ross (appointed 27 September 2011, resigned 9 October 2012 and reappointed 24 December 2012)

M D Cheatle (appointed 24 October 2011)

M L MacMahon (appointed 27 July 2011, resigned 24 December 2012)

M J Wates (appointed 1 November 2011)

P A Hemingway (appointed 24 December 2012)

J R Wild (appointed 24 December 2012)

Thomas Cook Group Management Services Limited (appointed 21 July 2011, resigned 27 September 2011)

Company secretary

S Bradley (appointed 21 July 2011)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors, which were made during the period and remain in force at the date of this report.

Supplier payment policy

The Group's policy, which is also applied by the Company, is to agree terms of payment with suppliers when determining the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

Charitable and political contributions

The Company made no charitable or political donations during the period.

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Directors' report (continued)

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 judgments 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.

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 directors are 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

A resolution will be proposed at the next Annual General Meeting to re-appoint PricewaterhouseCoopers LLP as auditors of the Company



P Hemingway

Director

1 July 2013

The Thomas Cook Business Park
Coningsby Road
Peterborough
PE3 8SB

TCCT Holdings UK Limited

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Independent auditors' report to the members of TCCT Holdings UK Limited

We have audited the financial statements of TCCT Holdings UK Limited for the 14 month period ended 30 September 2012 which comprise the Statement of comprehensive income, Balance sheet, the Statement of changes in equity, the Cash flow statement 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 5, 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 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 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 the company's profit and cash flows for the period then ending,
- 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 period 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



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

2 July 2013

TCCT Holdings UK Limited

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Statement of comprehensive income **14 month period ended 30 September 2012**

	Notes	14 month period ended 30 September 2012 £'000
Finance income	3	7,216
Profit before tax		7,216
Tax	6	(1,594)
Profit for the period attributable to equity shareholders		5,622

All revenues 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

TCCT Holdings UK Limited

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Balance sheet

As at 30 September 2012

	Notes	30 September 2012 £'000
Non-current assets		
Investments in subsidiary undertakings	5	44,878
Trade and other receivables	7	192,407
		<u>237,285</u>
Current assets		
Cash and cash equivalents		-
		<u>-</u>
Current liabilities		
Corporation tax	6	(1,594)
Net current liabilities		<u>(1,594)</u>
Net assets		<u>235,691</u>
 Equity attributable to owners of the parent		
Share capital	8	27,067
Share premium	9	203,002
Retained earnings		5,622
Total equity		<u>235,691</u>

The notes on pages 11 to 18 form part of the financial statements

The financial statements were approved by the board of directors and authorised for issue on 1 July 2013
They were signed on its behalf by



P Hemingway
Director

TCCT Holdings UK Limited

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Statement of changes in equity

14 month period ended 30 September 2012

	Issued share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
At 21 July 2011	-	-	-	-
Issue of Ordinary share capital	27,067	203,002	-	230,069
Profit for the period and total comprehensive profit for the period	-	-	5,622	5,622
Balance at 30 September 2012	<u>27,067</u>	<u>203,002</u>	<u>5,622</u>	<u>235,691</u>

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Cash flow statement

14 month period ended 30 September 2012

	Notes	14 month period ended 30 September 2012 £'000
Cash flows from operating activities		
Cash generated by operations	10	-
Net cash and cash equivalents		-
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period		-

TCCT Holdings UK Limited

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Notes to the financial statements

14 month period ended 30 September 2012

1 General information

TCCT Holdings UK Limited is a limited liability company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of its registered office is The Thomas Cook Business Park, Coningsby Road, Peterborough, 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 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 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 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.

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.

IFRIC 14 Amendment "Prepayments of a minimum funding requirement" is effective for annual reporting periods commencing on or after 1 January 2011. The amendment remedies one of the consequences of IFRIC 14, whereby an entity under certain circumstances was not allowed to recognise an asset for the prepayment of a minimum funding requirement.

In addition, the Group has adopted the various amendments to International Financial Reporting Standards and the related Bases for Conclusions and guidance made in the International Accounting Board's annual improvement process. The relevant IFRSs subject to Annual Improvements 2010 and applicable to the Group include:

IFRS 3	Business Combinations
IFRS 7	Financial Instruments: Disclosure
IAS 1	Presentation of Financial Statements
IAS 27	Consolidated and Separate Financial Statements
IAS 34	Interim Financial Reporting

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

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 and are not EU endorsed:

IFRS 9 "Financial Instruments" is effective for annual reporting periods commencing on or after 1 January 2013. The standard will eventually replace IAS 39 but currently only details the requirements for recognition and measurement of financial assets.

IFRS 10 "Consolidated financial statements" is effective for annual reporting periods beginning on or after 1 January 2013. This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within consolidated financial statements.

IFRS 11 "Joint arrangements" is effective for annual periods beginning on or after 1 January 2013. This standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.

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Notes to the financial statements

14 month period ended 30 September 2012

1 General information (continued)

IFRS 12 “Disclosure of interests in other entities” is effective for annual periods beginning on or after 1 January 2013. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

IFRS 13 “Fair value measurement” is effective for annual periods beginning on or after 1 January 2013. This standard applies to IFRSs that require or permit fair value measurements or disclosures and provides a single IFRS framework for measuring fair value and requires disclosures about fair value measurement.

IAS 19 (revised 2011) “Employee benefits” is effective for annual periods beginning on or after 1 January 2013. This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits.

IAS 27 (revised) “Separate financial statements” is effective for annual periods beginning on or after 1 January 2013. This standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.

IAS 28 (revised) “Investments in associates and joint ventures” is effective for annual periods beginning on or after 1 January 2013. This standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

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

The principal accounting policies applied in the preparation of the financial information presented in this document are set out below. These policies have been applied consistently to the periods unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with IFRSs as adopted by the EU and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to Companies reporting under IFRS.

The accounting policies adopted are consistent with those of the previous financial period except for those which the Company has adopted in the period.

The financial statements have been prepared under the historical cost convention except for the revaluation of certain financial instruments. The principal accounting policies adopted are set out below.

The Company is reliant on the support of the fellow group undertaking, Thomas Cook Group UK Limited. This support has been formally provided and accordingly the directors of TCCT Holdings UK Limited have prepared these financial statements on a going concern basis.

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.

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Notes to the financial statements 14 month period ended 30 September 2012

2 Significant accounting policies (continued)

Financial instruments

Given the simple nature of the company's operations, the directors do not believe that the company has any material exposure to price risk, credit risk, liquidity risk or cash flow risk. As such, no sensitivity analysis of the impact of reasonably possible changes in these risk variables on the company has been presented.

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

Given the simple nature of the company's operations, the directors do not believe there are any critical judgements or key sources of estimation uncertainty in the preparation of these financial statements.

3 Finance income

	14 month period ended 30 September 2012 £'000
Intra group interest receivable	<u>7,216</u>

4 Auditors' remuneration

Auditors' remuneration are borne centrally by Thomas Cook Retail Limited, for the 14 month period this was £2,500.

5 Investments

	Investments in subsidiary undertakings £'000
Cost	
At 21 July 2011	-
Additions	<u>44,878</u>
At 30 September 2012	<u>44,878</u>

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Notes to the financial statements 14 month period ended 30 September 2012

5 Investments (continued)

The investments are made up as follows

	30 September 2012 £'000
TCCT Holdings Limited	-
Co-op Travel 2 Holdings Limited	44,838
Midlands Co-op Travel Limited	40
	<hr/> 44,878

Investments in group undertakings are recorded at cost, which represents the fair value of the consideration paid

Name of company	Country of incorporation	% ownership of ordinary shares	Principal activities
TCCT Holdings Limited	Jersey	100%	Dormant
Co-op Group Travel 2 Holdings Limited	England & Wales	100%	Dormant
Midlands Co-op Travel Limited	England & Wales	100%	Travel related
Thomas Cook CFX Limited (formerly known as Midlands Co-op Travel Group Limited)	England & Wales	100%	Dormant

All above are considered to be controlling share holdings

6 Corporation tax

	Period ended 30 September 2012 £'000
Current Taxation	
UK corporation tax charge for the period	<hr/> 1,594

Corporation tax is calculated at 25% (2011 27%) of the estimated assessable loss for the period. This is the weighted average tax rate at the period following a reduction in the standard rate of UK Corporation Tax from 26% to 24% effective from 1 April 2012.

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Notes to the financial statements 14 month period ended 30 September 2012

6 Tax (continued)

The tax charge for the year can be reconciled to the loss per the Statement of comprehensive income as follows

	Period Ended 30 September 2012 £'000
Profit before tax	7,216
Expected tax charge at the UK corporation tax rate of 25%	1,804
Group relief surrendered for nil consideration	(210)
Tax charge for the year	1,594

The Finance (No 2) Act 2010 included legislation to reduce the main rate of UK Corporation Tax from 28% to 27% from 1st April 2011. This was amended by Finance Act 2011 which reduced the rate to 26% with effect from 1st April 2011. Finance Act 2011 also 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. These changes have had no effect on these financial statements.

A further reduction in the main rate of Corporation Tax in the UK by 2% to 21% by 1st April 2014 and to 20% by 1st April 2015 has also been proposed and is expected to be enacted separately. The change has not been substantially enacted at the balance sheet date and therefore is 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.

7 Trade and other receivables

	September 2012 £'000
Non-current assets	
Amounts owed by Group undertakings	192,407

Amounts due from Group undertakings represents floating rate unsecured loan notes due from Midlands Co-op Travel Limited and TCCT Retail Limited. The interest rates on which are 0.25% discount to 6 month Libor and 2.75% above 6 month Libor at 1 October. The loan notes have a final redemption date of 1 January 2020.

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Notes to the financial statements 14 month period ended 30 September 2012

8 Share capital

30 September
2012
£'000

Allotted, issued and fully paid:

"A" Ordinary shares of £1 each	18,000
"B" Ordinary shares of £1 each	8,120
"C" Ordinary shares of £1 each	947
	<hr/>
	27,067
	<hr/>

9 Share premium

30 September
2012
£'000

Allotted, issued and fully paid:

"A" Ordinary shares of £1 each	162,000
"B" Ordinary shares of £1 each	36,718
"C" Ordinary shares of £1 each	4,284
	<hr/>
	203,002
	<hr/>

10 Notes to cash flow statement

There are no operating cash flows for the period in period to 30 September 2012 as the Company is a non-trading intermediate holding company

11 Financial risk

The Company is subject to risks related to changes in counterparty credit and liquidity within the framework of its business operations. All assets and liabilities are denominated in sterling so there is no currency risk for the Company.

Capital Management

The Company's objective 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 strategy is to maintain a net asset position, the values of which are shown on the balance sheet at 30 September 2012.

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Notes to the financial statements 14 month period ended 30 September 2012

11 Financial risk (continued)

The Company holds £185,191,000 of floating interest loan notes. The interest risk on these loan notes are analysed below.

Interest rate risk

	2012 £'000	Net Impact on equity
	Impact on profit before tax	
0.5% increase on 6 month Libor	926	926
0.5% decrease on 6 month Libor	(926)	(926)

12 Related party transaction

Parent and fellow subsidiary undertakings

Transactions between the Company and other members of the Thomas Cook Group are disclosed below.

During the year, the Statement of comprehensive income recognised interest receivable of £7,216k due on loan notes held with group companies acquired as part of the JV.

	Loan notes	Interest receivable	Total 2012
	£'000	£'000	£'000
Amounts owed by Group undertakings	185,191	7,216	192,407

13 Remuneration of key personnel

The Company had no employees (other than directors) throughout the 14 month period ended 30 September 2012.

Key management compensation

For the 14 month period ended 30 September 2012, the directors are of the opinion that the key management of the Company comprised the statutory directors of the Company together with those members of the UK Executive team who are not also statutory directors. These persons have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. For the 14 month period, the statutory directors were considered to represent the key management personnel plus executive board. At 30 September 2012, key management comprised 17 people.

Directors' emoluments

Directors' emoluments are paid by a fellow subsidiary. Where services provided to the Company are of a non-executive nature no emoluments are disclosed within the financial statements of the Company. Emoluments are disclosed in the financial statements of the group companies where services are performed as an executive director.

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Notes to the financial statements

14 month period ended 30 September 2012

14 Ultimate controlling party

The Company is a subsidiary of Thomas Cook Retail Limited, which is incorporated in England and Wales

Thomas Cook Group plc, incorporated in Great Britain, 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 The Thomas Cook Business Park, Coningsby Road, Peterborough, Cambridgeshire, PE3 8SB