

**TCCT Retail Limited**

**Annual report and financial statements  
for the year ended 30 September 2013**

**Registered number 7397858**

# **TCCT Retail Limited**

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# **TCCT Retail Limited**

## **Directors' report**

The directors present their annual report on the affairs of TCCT Retail Limited, together with the audited financial statements, for the year ended 30 September 2013.

### **Dividends**

The directors do not recommend the payment of a dividend in respect of the year to 30 September 2013 (2012: £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:

I S Ailles (resigned 11 January 2013)  
N Arthur (appointed 21 February 2013)  
M L MacMahon (resigned 11 January 2013)  
S L Robinson (resigned 11 January 2013)  
D M Taylor (appointed 11 January 2013 and resigned 21 February 2013)  
J Wild (appointed 21 February 2013)  
Thomas Cook Group Management Services Limited

### **Company secretary**

S Bradley

### **Directors' indemnities**

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

### **Equal opportunities**

The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status and offers appropriate training and career development for disabled staff. If members of staff become disabled, the Company continues employment wherever possible and arranges retraining.

### **Employee involvement**

The Company is also committed to providing employees with information on matters of concern to them on a regular basis, so that the views of employees can be taken into account when making decisions that are likely to affect their interests. In the year the Company has held regular briefing meetings, supplemented by a range of staff magazines to encourage the involvement of employees. Surveys are held regularly as a means of measuring the effectiveness of the ways in which staff are managed.

### **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).

# **TCCT Retail Limited**

## **Directors' report (continued)**

### **Statement of directors' responsibilities (continued)**

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.

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**

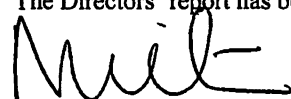
In accordance with Section 418 of the Companies Act 2006, in the case of each director in office at the date the directors' report is approved, the following applies:

- (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 a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Independent auditors**

PricewaterhouseCoopers LLP have expressed their willingness to be re-appointed as auditors of the Company. A resolution will be proposed at the next Annual General Meeting 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:



N Arthur  
Director  
24 February 2014

**Registered office**  
The Thomas Cook Business Park  
Coningsby Road  
Peterborough  
Cambridgeshire  
PE3 8SB  
England

# **TCCT Retail Limited**

## **Strategic report**

The directors present their Strategic report on the affairs of the Company, together with the audited financial statements. This report covers the year ended 30 September 2013.

### **Business review and activities**

TCCT Retail Limited is a subsidiary of Thomas Cook Group plc, ('the Group') a company that is listed on the London Stock Exchange.

The results for the Company show a pre tax loss of £25.9 million (2012: £20.3 million) for the year and sales of £341.8 million (2012: £299.7 million). The Company has net liabilities of £218.4 million (2012: net liabilities of £159.1 million). 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 company has continued its programme of store integration and rationalisation and in doing so has incurred exceptional costs as disclosed in note 5.

On 1 September 2012 the Company acquired the travel related trading activities of Co-op Group Travel 1 Limited and Close Number 29 Limited (formerly Midlands Co-op Travel Limited) in exchange for non-interest bearing loans of £35.9 million and £4.2 million respectively.

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.

TCCT Retail Limited sells a variety of travel related products on behalf of Thomas Cook and third parties through various sales channels and earns commission on the sale of Tour Operator holidays.

### **Business environment**

There are two distinct segments in the UK leisure and travel market: direct suppliers and travel intermediaries. Direct suppliers are the airlines, hotels and cruise companies that sell directly to the customer. Thomas Cook, through its subsidiary companies, operates in the travel intermediary segment, made up of travel agents and tour operators.

The Group operates a multi-channel distribution strategy, selling through its own and third-party channels. The Group's own distribution channels, which include the operations of the Company, comprise retail stores, online via various Group websites and call centres.

### **Strategy and future outlook**

Growth in international tourism is closely correlated to economic growth and has enjoyed strong and sustained growth for most of the last three decades. Despite a backdrop of subdued economic growth, demand for international leisure travel has remained reasonably strong as consumer spending has held up and unemployment in key source markets has remained stable.

In most of the Group's operating segments, retail stores remain a significant distribution channel for mainstream package holidays. However, over time, the Group's strategy is to increase the share of mainstream package holidays sold online.

Thomas Cook and former retail outlets of The Co-operatives have continued their programme to integrate their high street networks to create the UK's largest high street travel retailer.

# **TCCT Retail Limited**

## **Strategic report (continued)**

### **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:

- Continued downturn in demand due to adverse global economic factors.
- Recruitment, development and retention of talented people
- Geo-political and regulatory.
- Failure of the Transformation plan to deliver against strategic and operational targets.
- Failure to respond to customer demand, or other significant market changes.
- Major health and safety incident.
- Failure of IT infrastructure or internal control failure.
- Shortfall in pension funding.

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 30-31 of the Group's annual report.

### **Financial risk management**

The Company is subject to risks related to liquidity and cash flow risks, credit risk and counterparty credit risk within the framework of its business operations.

#### ***Liquidity and cash flow***

The liquidity position of the Company is significantly influenced by the booking and payment pattern of customers. As a result, liquidity is at its lowest in the winter months and at its highest in the summer months. The Company manages the seasonal nature of its liquidity by making use of its bank revolving credit facility. Short-term liquidity is primarily invested in bank deposits.

#### ***Credit risk***

The Company's principal financial assets are trade and other receivables, and amounts due from other Group undertakings. The Company's credit risk is primarily attributable to these trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### ***Counterparty credit risk***

The Company is exposed to credit risk in relation to deposits, derivatives with a positive fair value and trade and other receivables. The maximum exposure in respect of each of these items at the balance sheet date is their carrying value. The Company assesses its counterparty exposure in relation to the investment of surplus cash, foreign exchange and undrawn credit facilities. The Company uses published credit ratings, credit default swap prices and share price performance in the previous 30-day period to assess counterparty strength and therefore to define the credit limit for each counterparty.

# **TCCT Retail Limited**

## **Strategic 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 Retail 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 page 42 of the Group’s annual report which does not form part of this report.



N Arthur  
Director  
24 February 2014

**Registered office**  
The Thomas Cook Business Park  
Coningsby Road  
Peterborough  
Cambridgeshire  
PE3 8SB  
England

# **TCCT Retail Limited**

## **Independent auditors' report to the members of TCCT Retail Limited**

### **Report on the financial statements**

#### ***Our opinion***

In our opinion the financial statements:

- 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 below.

#### ***What we have audited***

The financial statements for the year ended 30 September 2013, which are prepared by TCCT Retail Limited, comprise:

- the balance sheet, statement of comprehensive income and statement of changes in equity;
- 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 comprises 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.

#### **Opinion on 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.



# **TCCT Retail Limited**

## **Independent auditors' report to the members of TCCT Retail Limited (continued)**

### **Other matters on which we are required to report by exception**

#### ***Adequacy of accounting records and information 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 if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made.

We have no exceptions to report arising from this responsibility.

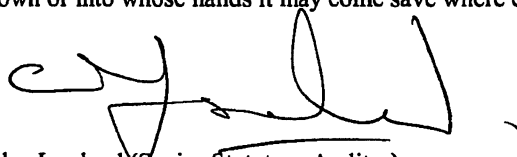
### **Responsibilities for the financial statements and the audit**

#### ***Our responsibilities and those of the directors***

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 & 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 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.



Charles Joseland (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cambridge  
24 February 2014

# TCCT Retail Limited

## Statement of comprehensive income Year ended 30 September 2013

	Notes	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
Revenue	3	341,775	299,697
Cost of sales		(262,878)	(252,879)
<b>Gross profit</b>		<b>78,897</b>	<b>46,818</b>
Operating expenses	4	(102,754)	(62,939)
<b>Loss from operations</b>		<b>(23,857)</b>	<b>(16,121)</b>
<b>Analysed between:</b>			
Profit/(loss) from operations before exceptional items		22,944	(5,475)
Exceptional items	5	(46,801)	(10,646)
Finance Income	6	5,071	3,157
Finance costs	7	(7,083)	(7,380)
<b>Loss on ordinary activities before taxation</b>	8	<b>(25,869)</b>	<b>(20,344)</b>
Income tax (charge) / credit	10	(33,456)	5,274
<b>Loss for the year</b>		<b>(59,325)</b>	<b>(15,070)</b>
<b>Total comprehensive loss for the year</b>		<b>(59,325)</b>	<b>(15,070)</b>

All of the revenue and results arose from continuing operations.

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

**TCCT Retail Limited (formerly Thomas Cook Travel Limited)**

Registered number 7397858

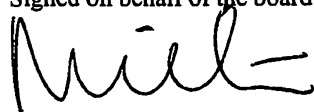
**Balance sheet****As at 30 September 2013**

	Notes	30 September 2013 £'000	30 September 2012 £'000
<b>Fixed assets</b>			
Property, plant and equipment	11	27,424	36,748
Intangible assets	12	211,409	210,458
		<u>238,833</u>	<u>247,206</u>
<b>Current assets</b>			
Inventories	14	-	59
Trade and other receivables	15	209,784	484,544
Deferred tax asset	16	43,010	77,104
Cash and cash equivalents	17	21,177	136,675
		<u>273,971</u>	<u>698,382</u>
<b>Total assets</b>		<u>512,804</u>	<u>945,588</u>
<b>Creditors: Amounts falling due within one year</b>			
Bank overdraft		(80,872)	-
Trade and other payables	18	(625,394)	(1,091,378)
Provisions for liabilities and charges	19	(24,974)	(13,321)
		<u>(731,240)</u>	<u>(1,104,699)</u>
<b>Net current liabilities</b>		<u>(457,269)</u>	<u>(406,317)</u>
<b>Total liabilities</b>		<u>(731,240)</u>	<u>(1,104,699)</u>
<b>Net liabilities</b>		<u>(218,436)</u>	<u>(159,111)</u>
<b>Capital and reserves</b>			
Share capital	20	-	-
Retained earnings		(218,436)	(159,111)
<b>Total shareholders' deficit</b>		<u>(218,436)</u>	<u>(159,111)</u>

The notes on pages 12 to 30 form part of these financial statements.

The financial statements were approved by the board of directors and approved for issue on 24 February 2014.

Signed on behalf of the board



N Arthur

Director

## **TCCT Retail Limited (formerly Thomas Cook Travel Limited)**

### **Statement of changes in equity Year ended 30 September 2013**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total £'000</b>
At 30 September 2012 and at 1 October 2012	-	(159,111)	(159,111)
Loss for the year and total comprehensive loss for the year	-	(59,325)	(59,325)
Balance at 30 September 2013	<u>-</u>	<u>(218,436)</u>	<u>(218,436)</u>

# **TCCT Retail Limited (formerly Thomas Cook Travel Limited)**

## **Notes to the financial statements Year ended 30 September 2013**

### **1 General information**

TCCT Retail Limited (formerly Thomas Cook Travel Limited) is a limited liability company incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is The Thomas Cook Business Park, Coningsby Road, Peterborough, Cambridgeshire, PE3 8SB, England. 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, 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.

### **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 years unless otherwise stated.

#### **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 26.

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 effective date of adoption by the Company is 1 October 2011. The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

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 its parent company, Thomas Cook Investments (2) Limited. This support has been formally provided and accordingly the directors of TCCT Retail Limited have prepared these financial statements on a going concern basis.

# TCCT Retail Limited (formerly Thomas Cook Travel Limited)

## Notes to the financial statements Year ended 30 September 2013

### 2 Significant accounting policies (continued)

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

In the current year, the following new or amended standard has been adopted. Its 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

#### Property, plant and equipment

Property and equipment is stated at historical cost, net of accumulated depreciation and any provision for impairment.

Where costs are incurred as part of the start-up or commissioning of an item of property, plant or equipment, and that item is available for use but incapable of operating in the manner intended by management without such a start-up or commissioning period, then such costs are included within the cost of the item. Costs that are not directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management are charged to the Statement of comprehensive income as incurred.

Depreciation on property and equipment, other than freehold land, upon which no depreciation is provided, is calculated on a straight line basis and aims to write down their cost to their estimated residual value over their expected useful lives as follows:

Land and buildings	50 years
Furniture, fittings and equipment	3 – 5 years

The residual values and useful economic lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the proceeds received and the net book value of the asset on disposal, and is recognised on the date of disposal in operating profit.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost represents purchase price calculated on a first-in, first-out basis. Net realisable value represents the estimated selling price less all costs to be incurred in marketing, selling and distribution. Provision for impairment is made, where necessary, for slow moving, obsolete and defective stock.

#### Revenue recognition and associated costs

Revenue represents the aggregate amount of travel agency commissions receivable and commissions from other services supplied to customers in the ordinary course of business. Revenue and direct expenses relating to inclusive tours arranged by the Company's leisure travel providers, travel agency commission, insurance and other incentives, are recognised on holiday departure. Other revenue and associated expenses are recognised as earned or incurred.

# **TCCT Retail Limited (formerly Thomas Cook Travel Limited)**

## **Notes to the financial statements Year ended 30 September 2013**

### **2 Significant accounting policies (continued)**

#### **Statement of comprehensive income presentation and exceptional items**

Profit or loss from operations includes the results from operating activities of the Company, before its share of the results of associates and joint ventures.

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

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

Items which are included within the exceptional category may include:

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

IAS 39 fair value re-measurement includes movements in forward points related to foreign exchange forward contracts and time value of options in cash flow hedging relationships. Both items are subject to market fluctuations and unwind when the options or forward contracts mature and therefore are not considered to be part of the Group's underlying performance.

#### **Intangible assets**

Goodwill arising on the acquisition of the assets and trade of a business represents any excess of the fair value of the consideration given over the fair value of the identifiable net assets or liabilities acquired. Goodwill is recorded at cost less accumulated impairment losses, and is reviewed for impairment at least annually. Any impairment is recognised immediately in the Company's Statement of comprehensive income and is not subsequently reversed. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The allocation of goodwill is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

This overrides the requirement of the Companies Act 2006 to amortise goodwill and is in compliance with IAS38. If the Company amortised its goodwill over 20 years, the charge would have been £9.5 million in the current year.

Intangible assets other than goodwill are carried at cost less accumulated amortisation and are tested for impairment when there is an indication that the carrying value may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Amortisation is charged over the assets useful life as follows:

Computer software     3 – 10 years

The gain or loss on disposal of computer software is calculated as the difference between the proceeds received and the net book value of the asset on disposal, and is recognised on the date of disposal in operating profit.

# **TCCT Retail Limited (formerly Thomas Cook Travel Limited)**

## **Notes to the financial statements Year ended 30 September 2013**

### **2 Significant accounting policies (continued)**

#### **Tax**

Tax represents the sum of tax currently payable and deferred tax. Tax is recognised in the Statement of comprehensive income unless it relates to an item recognised directly in equity, in which case the associated tax is also recognised directly in equity.

Tax currently payable is provided on taxable profits based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Provision is made for deferred tax so as to recognise all temporary differences which have originated but not reversed at the balance sheet date that result in an obligation to pay more tax, or a right to pay less tax, in the future, except as set out below. This is calculated on a non-discounted basis by reference to the average tax rates that are expected to apply in the relevant jurisdictions and for the periods in which the temporary differences are expected to reverse.

Deferred tax assets are assessed at each balance sheet date and are only recognised to the extent that their recovery against future taxable profits is probable.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

#### **Pensions**

Pension costs charged against profits in respect of the Company's defined contribution scheme represent the amount of the contributions payable to the schemes in respect of the accounting period.

#### **Foreign currency**

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

#### **Leases**

Operating lease rentals are charged to the Statement of comprehensive income on a straight-line basis over the lease term.

#### **Revenue in advance**

Customer monies received at the balance sheet date relating to holidays commencing and flights departing after the year end is deferred and classified as revenue in advance.



# **TCCT Retail Limited (formerly Thomas Cook Travel Limited)**

## **Notes to the financial statements** **Year ended 30 September 2013**

### **2 Significant accounting policies (continued)**

#### **Financial instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Company transfers the financial asset or when the contractual rights expire. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires. The measurement of particular financial assets or liabilities is set out below.

#### **Derivative financial instruments**

Derivatives are recognised at their fair value. When a derivative does not qualify for hedge accounting as a cash flow hedge, changes in fair value are recognised immediately in the Statement of comprehensive income. When a derivative qualifies for hedge accounting as a cash flow hedge, changes in the fair value that are deemed to be an effective hedge are recognised directly in the hedging reserve. Any ineffective portion of the change in fair value is recognised immediately in the Statement of comprehensive income.

The Company does not designate any of its derivative financial instruments as cash flow hedges and hence takes all changes in fair value through the Statement of comprehensive income.

#### **Non derivative financial instruments**

The treatment of non derivative financial instruments is set out below.

#### **Trade receivables**

Trade and other receivables are recognised at their fair value, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of comprehensive income within 'selling and marketing costs'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'operating costs' in the Statement of comprehensive income.

#### **Trade payables**

Trade payables are recognised at their fair value.

#### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

# TCCT Retail Limited (formerly Thomas Cook Travel Limited)

## Notes to the financial statements Year ended 30 September 2013

### 2 Significant accounting policies (continued)

#### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event's, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for restructuring is recognised when the Company has approved

a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced to those affected by it. Future operating costs are not provided for. In accordance with the Company's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognised when the land is contaminated.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

#### **Share capital**

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

#### **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.

#### ***Gross or net recognition revenue streams***

Judgments have to be made on an individual revenue stream basis as to whether it is most appropriate to recognise revenue at gross cost to the consumer or on a net commission receivable basis. This judgement centres around risk considerations and the extent of added value, amongst other factors.

#### ***Residual values of tangible fixed assets***

Judgments have been made in respect of the residual values of property, plant and equipment. Those judgments determine the amount of depreciation charged in the income statement.

#### ***Recoverable amounts of goodwill and 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 goodwill and investments in relation to those businesses.

#### ***Closure provisions***

Judgments have been made in respect of the length of time it will take to dispose of the Company's interest in leasehold properties in respect of stores which have ceased trading in order to calculate the provision required on the closure of the stores.

#### ***Dilapidations provisions***

Judgments have been made in respect of the amounts of future dilapidations claims in order to assess the increase or decrease required to the existing provision.

# TCCT Retail Limited (formerly Thomas Cook Travel Limited)

## Notes to the financial statements Year ended 30 September 2013

### 2 Significant accounting policies (continued)

#### Key sources of estimation uncertainty

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:

#### *Tax*

Tax assets and liabilities represent management's estimate of tax that will be payable or recoverable in the future and may be dependent on estimates of future profitability.

In addition, estimates have been made in respect of the probable future utilisation of tax losses and deferred tax assets have been recognised. The recoverability of these assets is dependent on the agreement of the losses with the relevant authorities and the estimates of future profitability.

#### *Derivative financial instruments*

Judgment is required in determining the fair value of derivative financial instruments at each balance sheet date. Where appropriate external valuations from financial institutions and internal valuations from the Thomas Cook Group treasury team are undertaken to support the carrying value of such items.

#### *Provisions*

Judgment and estimation is required in determining the future cost of retail stores closures and onerous lease provisions. Details of provisions made are disclosed in note 19 of these financial statements.

### 3 Revenue

	2013 £'000	2012 £'000
An analysis of the Company's turnover is as follows:		
Commission from sale of leisure travel services	341,775	299,697

### 4 Operating expenses

	2013 £'000	2012 £'000
Management charge payable	(46,036)	(47,037)
Administrative expenses	(57,143)	(17,216)
Other operating income	425	1,314
	(102,754)	(62,939)

# TCCT Retail Limited (formerly Thomas Cook Travel Limited)

## Notes to the financial statements Year ended 30 September 2013

### 5 Exceptional items

	2013 £'000	2012 £'000
Retail shop closure costs	27,601	8,343
Trade receivable written off	12,100	-
Onerous contract provision	7,100	-
Loss on disposal of property, plant and equipment	-	2,303
	<u>46,801</u>	<u>10,646</u>

### 6 Finance income

	2013 £'000	2012 £'000
Bank interest receivable	<u>5,071</u>	<u>3,157</u>

### 7 Finance cost

Interest payable and similar charges

	2013 £'000	2012 £'000
Interest on loan note payable to group companies	(6,010)	(7,380)
Other interest payable	<u>(1,073)</u>	<u>-</u>
	<u>(7,083)</u>	<u>(7,380)</u>

### 8 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation has been arrived at after charging / (crediting):

	2013 £'000	2012 £'000
Net foreign exchange losses/(profits)	334	(198)
Depreciation of property, plant and equipment – owned assets	5,752	3,201
Amortisation of intangible fixed assets	3,893	282
Operating lease rentals payable – land and buildings	42,385	35,758
Exceptional operating items including loss on disposal of property, plant and equipment (see note 5)	46,801	10,646
Staff costs (see note 9)	129,733	104,995
Auditors' remuneration for audit services (see below)	<u>193</u>	<u>40</u>

Auditors' remuneration is paid for centrally and recharged to the Company. Amounts payable to PricewaterhouseCoopers LLP and their associates by the Company in respect of non-audit services are disclosed in the financial statements of Thomas Cook Group plc.

# TCCT Retail Limited (formerly Thomas Cook Travel Limited)

## Notes to the financial statements Year ended 30 September 2013

### 9 Staff costs

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

	2013 Number	2012 Number
Retail staff	5,693	5,929
	<b>£'000</b>	<b>£'000</b>
Their aggregate remuneration comprised:		
Wages and salaries	119,621	96,203
Social security costs	7,307	6,200
Pension service costs	2,805	2,592
	129,733	104,995

### 10 Tax

	2013 £'000	2012 £'000
<b>Current tax</b>		
UK corporation tax credit for the year	(638)	(673)
<b>Total current tax</b>	(638)	(673)
<b>Deferred tax</b>		
Adjustment in respect of the current year	33,020	(4,601)
Adjustment in respect of prior years	1,074	-
<b>Total deferred tax</b>	34,094	(4,601)
<b>Total tax charge/(credit)</b>	33,456	(5,274)

Corporation tax is calculated at 23.5% (2012: 25%) of the estimated assessable profit for the period. 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.

# TCCT Retail Limited (formerly Thomas Cook Travel Limited)

## Notes to the financial statements Year ended 30 September 2013

### 10 Tax (continued)

The tax charge/(credit) for the year can be reconciled to the loss per the income statement as follows:

	2013 £'000	2012 £'000
Loss before tax	(25,869)	(20,344)
Loss before tax multiplied by the current tax rate of 23.5% (2012: 25%)	(6,079)	(5,086)
Tax effect of:		
Expenses that are not deductible for tax purposes	388	852
Adjustments to tax in respect of prior years	1,074	-
Group relief surrendered for nil consideration	2,135	2
Current period deferred tax not recognised	2,093	-
Depreciation not in deferred tax	666	305
Loss on disposal of non-qualifying assets	160	244
Deferred tax no longer/(not previously) recognised	29,501	(8,267)
Deferred tax effect of change in tax rate	3,518	6,676
Tax charge/(credit) for the year	33,456	(5,274)

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 effect of these changes has been to reduce the deferred tax asset by £3,518k as at 30 September 2013 (£6,676k as at 30 September 2012).

# TCCT Retail Limited (formerly Thomas Cook Travel Limited)

## Notes to the financial statements Year ended 30 September 2013

### 11 Tangible fixed assets

	Land and buildings £'000	Furniture, fittings and equipment £'000	Total £'000
<b>Cost or valuation</b>			
At 1 October 2012 (see note below)	3,518	121,069	124,587
Transfer to group undertaking	-	(62)	(62)
Additions	-	3,672	3,672
Disposals	(512)	(8,245)	(8,757)
At 30 September 2013	3,006	116,434	119,440
<b>Accumulated depreciation and impairment</b>			
At 1 October 2012 (see note below)	(2,829)	(85,010)	(87,839)
Transfer to group undertaking	-	12	12
Charge for the period	(16)	(5,736)	(5,752)
Disposals	214	5,005	5,219
Impairment charge	-	(3,656)	(3,656)
At 30 September 2013	(2,631)	(89,385)	(92,016)
<b>Carrying amount</b>			
At 30 September 2013	375	27,049	27,424
At 30 September 2012	689	36,059	36,748

The values of opening cost and depreciation have been adjusted to reflect the values held in the Company's fixed asset records. There is no effect on the net book values at either 1 October 2012 or 30 September 2013.

# TCCT Retail Limited (formerly Thomas Cook Travel Limited)

## Notes to the financial statements Year ended 30 September 2013

### 12 Intangible Assets

	Goodwill £'000	Other Intangibles £'000	Computer Software £'000	Total £'000
<b>Cost</b>				
At 1 October 2012	341,642	20,140	1,139	362,921
Additions	-	-	4,981	4,981
Transfer to group undertaking	-	-	31	31
Disposals	-	-	(247)	(247)
At 30 September 2013	341,642	20,140	5,904	367,686
<b>Accumulated amortisation and impairment</b>				
At 1 October 2012	(151,911)	-	(552)	(152,463)
Transfer to group undertaking	-	-	(7)	(7)
Amortisation charge	-	(3,156)	(737)	(3,893)
Disposals	-	-	86	86
At 30 September 2013	(151,911)	(3,156)	(1,210)	(156,277)
<b>Carrying amount</b>				
At 30 September 2013	189,731	16,984	4,694	211,409
At 30 September 2012	189,731	20,140	587	210,458

Amortisation of £3,893k (2012: £282k) has been included within operating expenses.

In accordance with accounting standards, the Group annually tests the carrying value of goodwill for impairment. At 30 September 2013, the review was undertaken on a value in use basis, assessing whether the carrying value of goodwill was supported by the net present value of future cash flows derived from those assets.



# TCCT Retail Limited (formerly Thomas Cook Travel Limited)

## Notes to the financial statements Year ended 30 September 2013

### 13 Business combinations

On 31 August 2012, the Company hived over the assets and liabilities of the Co-operative and Midlands Co-operative retail business.

The following table summarises the consideration paid and the fair value of assets and liabilities acquired at the acquisition date.

	Co-op Group Travel £'000	Midlands Co-op £'000	Total £'000
<b>Consideration</b>			
Non interest bearing loan notes	35,883	4,186	40,069
<b>Total consideration</b>	<b>35,883</b>	<b>4,186</b>	<b>40,069</b>

	Co-op Group Travel		Midlands Co-op			
	£'000	£'000	£'000	£'000	£'000	£'000
	Book value	Fair value adjustments	Total	Book value	Fair value adjustments	Total
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>						
Cash and cash equivalents	23,966	-	23,966	4,513	-	4,513
Property, plant and equipment	6,447	-	6,447	752	-	752
Trademarks	-	14,820	14,820	-	1,706	1,706
Order Backlog	-	379	379	-	217	217
Customer relationships	-	2,236	2,236	-	782	782
Trade and other receivables	94,452	-	94,452	43,339	-	43,339
Trade and other payables	(180,273)	-	(180,273)	(55,188)	-	(55,188)
Provisions for other liabilities and charges	(7,447)	-	(7,447)	(973)	-	(973)
<b>Total identifiable net liabilities</b>	<b>(62,855)</b>	<b>17,435</b>	<b>(45,420)</b>	<b>(7,557)</b>	<b>2,705</b>	<b>(4,852)</b>
<b>Goodwill</b>			<b>81,303</b>			<b>9,038</b>
<b>Total consideration</b>			<b>35,883</b>			<b>4,186</b>

Management have assessed the value of goodwill created on business acquisitions and have concluded that there are no separately identifiable intangible assets that this can be attributed to.

# TCCT Retail Limited (formerly Thomas Cook Travel Limited)

## Notes to the financial statements Year ended 30 September 2013

### 14 Inventories

	2013 £'000	2012 £'000
Consumables	-	59

The cost of stock recognised as expense and included in cost of sales amounted to £59,000 (2012: £nil).

### 15 Trade and other receivables

	2013 £'000	2012 £'000
<b>Amounts falling due within one year</b>		
Trade debtors	7,940	15,782
Less: provision for impairment of trade receivables	(42)	(145)
Trade receivables – net	7,898	15,637
Deposits and prepayments	17,650	18,826
Accrued income	4,808	5,714
Income tax recoverable	638	-
Other receivables	2,021	1,690
Amounts due from Group undertakings	176,769	442,677
	<b>209,784</b>	<b>484,544</b>

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

### 16 Deferred tax asset

There are no offset deferred tax assets or liabilities in these financial statements.

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

	2013 £'000	2012 £'000
Beginning of period	77,104	72,074
Income statement (charge)/credit	(34,094)	4,601
Acquisition of business	-	429
End of period	<b>43,010</b>	<b>77,104</b>

Movements on the deferred taxation assets and liabilities are as follows:

Deferred tax assets	Tax losses £'000	Accelerated tax depreciation £'000	Other £'000	Total £'000
At 1 October 2012	63,201	13,734	169	77,104
Current year tax charge to the income statement	(20,390)	(13,535)	(169)	(34,094)
Balance at 30 September 2013	<b>42,811</b>	<b>199</b>	<b>-</b>	<b>43,010</b>

At the balance sheet date, the company had unused tax losses of £274.9 million (2012: £274.8 million) and other short term timing differences of £72.5 million (2012: £60.2 million) available for offset against future profits. No deferred tax asset has been recognised in respect of unused tax losses of £66.1 million (2012: £Nil) and short term timing differences of £71.6 million (2012: £Nil) due to the unpredictability of future profits.

# TCCT Retail Limited (formerly Thomas Cook Travel Limited)

## Notes to the financial statements Year ended 30 September 2013

### 17 Cash at bank and in hand

	2013 £'000	2012 £'000
Short term bank deposits	-	109,636
Cash at bank and in hand	21,177	27,039
	<u>21,177</u>	<u>136,675</u>

### 18 Trade and other payables

	2013 £'000	2012 £'000
<b>Current liabilities</b>		
Trade payables	(126,107)	(113,677)
Social security and other taxes	(3,189)	(4,984)
Accruals	(20,090)	(25,134)
Other payables	(9,303)	(2,339)
Amounts due to Group undertakings	(227,475)	(712,024)
Loan notes and associated interest payable to Group undertakings	(239,230)	(233,220)
	<u>(625,394)</u>	<u>(1,091,378)</u>

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

The loan note issued to TCCT Holdings UK Limited for £180 million is unsecured and carries an interest rate of 2.75% above 6 month Libor at 1 October. The loan notes issued to Co-op Group Travel 1 Limited and Close Number 29 Limited (formerly Midlands Co-op Travel Limited) for £35.9 million and £4.2 million respectively, are unsecured and carry an interest rate of 0.25% discount to 6 month Libor at 1 October. All the loan notes have a final redemption date of 1 January 2020.

### 19 Provisions for other liabilities and charges

	£'000
At 1 October 2012	(13,321)
Additional provisions in the year;	
- Retail store closures	(24,132)
- Onerous contract losses	(7,100)
Provisions utilised	16,979
Provisions written back	2,600
At 30 September 2013	<u>(24,974)</u>

With the exception of the new provision for onerous contract losses, the provision at 1 October 2012 and at 30 September 2013, relates to the planned closure of a number of retail stores, which the Company was committed to close as at the year end.

# TCCT Retail Limited (formerly Thomas Cook Travel Limited)

## Notes to the financial statements Year ended 30 September 2013

### 20 Called up share capital

	2013 £	2012 £
<b>Authorised:</b>		
100 (2012:100) ordinary shares of £1 each	100	100
<b>Issued and fully paid:</b>		
100 (2012:100) 100 ordinary shares of £1 each	100	100

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

### 21 Operating lease arrangements

#### The Company as lessee

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2013 £'000	2012 £'000
Within one year	26,826	16,626
In the second to fifth years inclusive	67,393	57,278
After five years	51,290	63,764
	145,509	137,668

Operating lease payments represent rentals payable by the Company for certain of its retail stores. Leases are negotiated for an average term of 10 years and rentals are fixed for an average of 5 years.

#### The Company as lessor

Property rental income earned during the year was £425,000 (2012: £389,000).

At the balance sheet date, the Company had contracted with tenants for the following future minimum lease payments:

	2013 £'000	2012 £'000
Within one year	120	1,174
In the second to fifth years inclusive	129	2,698
After five years	35	831
	284	4,703

# TCCT Retail Limited (formerly Thomas Cook Travel Limited)

## Notes to the financial statements Year ended 30 September 2013

### 22 Directors' remuneration

#### *Directors' emoluments*

The aggregate emoluments of the directors of the Company are set out below:

	2013 £'000	2012 £'000
Aggregate emoluments in respect of qualifying services	137	241
Termination benefits	138	-
Company pension contributions to defined contribution scheme	7	30
Aggregate Company pension contributions to final salary schemes	-	-
Total	282	271

No (2012: nil) directors are included in the final salary scheme for 2013.

No gains were made by directors on the exercise of share options.

The amounts in respect of the highest paid director are as follows:

	2013 £'000	2012 £'000
Aggregate emoluments in respect of qualifying services	169	315
Termination benefits	-	-
Aggregate Company pension contributions to final salary schemes	-	45
Total	169	360

#### *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".

### 23 Defined contribution pension schemes

There are a number of defined contribution schemes in the Company, the principal ones being the MyTravel UK Group scheme which relates to employees of MyTravel Group plc and various of its UK subsidiary companies and the new scheme for Thomas Cook UK employees joining since April 2003.

The total charge for the period in respect of these and other defined contribution schemes, including liabilities in respect of insured benefits relating to workers' compensation arrangements, amounted to £2,805k (2012: £2,592k).

The assets of these schemes are held separately from those of the Company in funds under the control of trustees. At 30 September 2013 there were no amounts prepaid or outstanding in relation to the defined contribution scheme (2012: £nil).

# TCCT Retail Limited (formerly Thomas Cook Travel Limited)

## Notes to the financial statements Year ended 30 September 2013

### 24 Contingent liabilities

At 30 September 2013 the Company has given guarantees and counter indemnities to banks totalling £9.0m (2012: 0.5m) in respect of bonding, letter of credit and guarantee facilities. The Company is also a guarantor over bonding, letter of credit and guarantee facilities utilised by other UK subsidiaries of the Group. Potential liabilities in relation to total bonding, letter of credit and guarantee facilities are £170.7m (2012: £189.1m). The Company has also given cross guarantees over a surety facility utilised by other UK subsidiaries of the Group amounting to £17m (2012 £nil).

In addition to this, the Company is one of the guarantors of the Group term and revolving credit facilities. Each of the guarantors is jointly liable for the drawn down portion of £9.6m (2012: £317.7m). In addition, the Company is one of the guarantors of the Euro and GBP bonds issued by Thomas Cook Group plc. Each of the guarantors is joint & severally liable for the £1,052.8m (2012: £612.5m) bond.

On 27 June 2013 the Group completed a £1.6bn recapitalisation of the business which included:

- a 2 for 5 rights issue of 409,029,271 new ordinary shares at 76 pence per new ordinary share and a placing of 87,591,241 shares at 137 pence per share, raising gross proceeds of £431m
- issue of a new €525m Eurobond with a coupon of 7.75% which matures in June 2020
- a new £470m four year banking facility maturing in May 2017 to replace prior facilities, together with an additional £191m facility available from 2015 and a separate £30m bonding facility which matures in May 2015

As at 30 September 2013, £Nil (2012: £142m) was drawn under the revolving credit facility. The Company continues to be a guarantor to the Group's amended banking facility arrangements. At 30 September 2012, a £150m term loan with no fixed repayments was drawn down.

### 25 Related party transactions

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

	<b>Sale of goods</b>	<b>Purchase of goods</b>	<b>Amounts owed by related parties</b>	<b>Amounts owed to related parties</b>
Trading transactions	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Parent and fellow subsidiary undertakings	185,959	-	176,769	(466,705)
	<b>Sale of goods</b>	<b>Purchase of goods</b>	<b>Amounts owed by related parties</b>	<b>Amounts owed to related parties</b>
Trading transactions	<b>2012</b>	<b>2012</b>	<b>2012</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Parent and fellow subsidiary undertakings	147,005	-	442,677	(945,244)

Other transactions with related parties in respect of the group management charge and finance costs are disclosed in notes 4 and 7 respectively.

# **TCCT Retail Limited (formerly Thomas Cook Travel Limited)**

## **Notes to the financial statements Year ended 30 September 2013**

### **25 Related party transactions (continued)**

The Company's revenue represents the aggregate amount of travel agency commissions receivable and other services supplied to customers in the ordinary course of business. Only the commission receivable element of a holiday payment is recognised in the income statement - the balance of the amount payable by the customers is collected by the Company on behalf of the travel provider and is not included in either purchases or sales.

The amounts outstanding are unsecured and will be settled in the normal course of business. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

#### **Other trading transactions**

During the year, the Company did not enter into any transactions with related parties who are not members of the Thomas Cook Group.

### **26 Ultimate controlling party**

The Company is a subsidiary of TCCT Holdings Limited, which is incorporated in Jersey.

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 3<sup>rd</sup> floor, South Building, 200 Aldersgate, London, EC1A 4HD.