

**TCCT Retail Limited (formerly Thomas
Cook Travel Limited)**
**Annual report and financial statements
for the year ended 30 September 2012**

Registered number 7397858

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TCCT Retail Limited (formerly Thomas Cook Travel Limited)

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TCCT Retail Limited (formerly Thomas Cook Travel Limited)

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 year ended 30 September 2012.

Business review and activities

TCCT Retail Limited (formerly Thomas Cook Travel Limited) is a wholly owned 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 £20.3 million (2011: £162.4 million) for the year and sales of £299.7 million (2011: £286.8 million). The Company has net liabilities of £159.1 million (2011: net liabilities of £144.0 million). Net cash inflow from operating activities for 2012 was £31.4 million (2011: £6.9 million). The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Thomas Cook Group plc.

The Company was incorporated on 5 October 2010. On 1 December 2010 the company bought the travel related trading activities (excluding the Thomas Cook Sports and Flexible Trips brands) of Thomas Cook Retail Limited in exchange for an interest bearing loan note of £180 million. On the 1 September 2012 the Company also acquired the travel related trading activities of Co-op Group Travel 1 Limited and 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 (formerly Thomas Cook Travel Limited) sells a variety of travel related products on behalf of Thomas Cook and third parties through various sales channels.

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.

Strategy and future outlook

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

In-house distribution gives the Group greater control over the volume and cost of distributing its products and, over the last three years, the Group has increased in-house distribution of package holidays from 53% to 61% of bookings.

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.

At the beginning of the financial year end, Thomas Cook and The Co-operatives merged their high street networks to create the UK's largest high street travel retailer.

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Directors' 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

- 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
- Any significant damage to the UK group's reputation or brands
- 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

For details on financial risk management please refer to Note 19

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 (formerly Thomas Cook Travel 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 year to 30 September 2012 (2011 £nil)

Directors

The directors, who served for the whole of the year, except where noted, were as follows

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

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Directors' report (continued)

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.

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. Trade creditors of the Company at 30 September 2012 were equivalent to 164 days' (2011: 170 days') purchases, based on the average daily amount invoiced by suppliers during the year.

Charitable and political contributions

The Company made no charitable or political donations during the year (2011: £nil).

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 Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Directors' report (continued)

Statement of directors' responsibilities (continued)

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

Provision of information to auditors

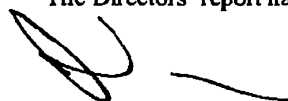
In accordance with Section 418 of the Companies Act 2006, in the case of each director in office at the date the directors' report is approved, the following applies:

- (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



J Wild
Director
27 February 2013



N Arthur
Director
27 February 2013

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

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Independent auditors' report to the members of TCCT Retail Limited (formerly Thomas Cook Travel Limited)

We have audited the financial statements of TCCT Retail Limited (formerly Thomas Cook Travel Limited) for the year ended 30 September 2012 which comprise the Statement of comprehensive income, the 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 pages 4 and 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 and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



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

27 February 2013

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Statement of comprehensive income Year ended 30 September 2012

	Notes	Year ended 30 September 2012 £'000	Period ended 30 September 2011 £'000
Revenue	3	299,697	286,764
Cost of sales		(252,879)	(242,573)
Gross profit		46,818	44,191
Operating expenses	5	(62,939)	(200,852)
Loss from operations		(16,121)	(156,661)
Analysed between			
Profit from operations before exceptional items		(5,475)	(3,122)
Exceptional items	4	(10,646)	(153,539)
Finance Income	6	3,157	-
Finance costs	7	(7,380)	(5,771)
Loss before tax	8	(20,344)	(162,432)
Tax	10	5,274	18,391
Loss for the period		(15,070)	(144,041)
Total comprehensive loss for the period		(15,070)	(144,041)

All of the revenue and results arose from continuing operations

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Registered number 7397858

Balance sheet**As at 30 September 2012**

	Notes	30 September 2012 £'000	30 September 2011 £'000
Non-current assets			
Property, plant and equipment	11	36,748	28,800
Intangible assets	12	210,458	100,197
Deferred tax asset	18	77,104	72,074
		<u>324,310</u>	<u>201,071</u>
Current assets			
Inventories	14	59	2,042
Trade and other receivables	15	484,544	39,033
Cash and cash equivalents	16	136,675	81,241
		<u>621,278</u>	<u>122,316</u>
Total assets		<u>945,588</u>	<u>323,387</u>
Current liabilities			
Trade and other payables	17	(1,091,378)	(462,531)
Revenue received in advance		-	(498)
Provisions for liabilities and charges	21	(13,321)	(4,399)
		<u>(1,104,699)</u>	<u>(467,428)</u>
Net current liabilities		<u>(483,421)</u>	<u>(345,112)</u>
Total liabilities		<u>(1,104,699)</u>	<u>(467,428)</u>
Net liabilities		<u>(159,111)</u>	<u>(144,041)</u>
Equity attributable to owners of the parent			
Share capital	22	-	-
Retained earnings		(159,111)	(144,041)
Total equity		<u>(159,111)</u>	<u>(144,041)</u>

The notes on pages 11 to 36 form part of these financial statements

The financial statements were approved by the board of directors and approved for issue on 27 February 2013

Signed on behalf of the board



J Wild

Director



N Arthur

Director

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Statement of changes in equity Year ended 30 September 2012

	Issued share capital £'000	Retained earnings £'000	Total £'000
Balance at 5 October 2010	-	-	-
Issue of shares	-	-	-
Loss for the period and total comprehensive loss for the period	-	(144,041)	(144,041)
Balance at 30 September 2011	-	(144,041)	(144,041)
Loss for the period and total comprehensive loss for the period	-	(15,070)	(15,070)
Balance at 30 September 2012	-	(159,111)	(159,111)

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Cash flow statement Year ended 30 September 2012

	Notes	Year ended 30 September 2012 £'000	Period ended 30 September 2011 £'000
Cash flows from operating activities			
Cash generated from operations	23	32,238	6,893
Net cash generated from operating activities		<u>32,238</u>	<u>6,893</u>
Investing activities			
Interest received		3,157	-
Cash on acquisition of business		28,479	78,512
Purchases of intangible assets		(423)	(60)
Purchases of property, plant and equipment		(8,017)	(4,104)
Net cash outflow from investing activities		<u>23,196</u>	<u>74,348</u>
Financing activities			
Interest paid		-	-
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		55,434	81,241
Cash and cash equivalents at beginning of year		81,241	-
Cash and cash equivalents at year end	16	<u><u>136,675</u></u>	<u><u>81,241</u></u>

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

1 General information

TCCT Retail Limited (formerly Thomas Cook Travel Limited) is a 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 wholly-owned subsidiary company and is included within the audited consolidated financial statements of Thomas Cook Group plc, a company incorporated in Great Britain, which have been prepared in accordance with International Financial Reporting Standards and filed with the Registrar of Companies.

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 Group, 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 2015. 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.

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year 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

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 year.

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 Retail Limited (formerly Thomas Cook Travel Limited) have prepared these financial statements on a going concern basis.

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.

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

2 Significant accounting policies (continued)

Property, plant and equipment (continued)

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

Freehold 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 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.

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, and IAS 39 fair value re-measurement.

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 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

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

2 Significant accounting policies (continued)

Statement of comprehensive income presentation and exceptional items (continued)

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.

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.

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.

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

2 Significant accounting policies (continued)

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.

Share-based payments

The Company has applied the requirements of IFRS 2 Share-based payments. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 November 2004.

Thomas Cook Group plc issues share options to certain employees of the Company as part of their total remuneration. The fair values of the share options are calculated at the date of grant, using the Black-Scholes option pricing model. These fair values are charged to the Statement of comprehensive income on a straight-line basis over the expected vesting period of the options. This amount has been charged to the Company by Thomas Cook Group plc.

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 initially at fair value and subsequently measured at amortised cost using the effective interest rate method, 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

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

2 Significant accounting policies (continued)

Trade receivables (continued)

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 initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

In the cash flow statement, 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.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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 equity.

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

Critical judgments in applying the Company's accounting policies

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

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.

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

2 Significant accounting policies (continued)

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

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 onerous lease provisions. Details of provisions made and the basis on which the provision has been calculated are disclosed in note 20 of these financial statements

3 Revenue

	2012 £'000	2011 £'000
An analysis of the Company's revenue is as follows		
Commission from sale of leisure travel services	299,697	286,764

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

4 Exceptional items

	2012 £'000	2011 £'000
Retail shop closures	8,343	1,354
Disposal of property, plant and equipment	2,303	274
Impairment of goodwill	-	151,911
	<u>10,646</u>	<u>153,539</u>

5 Operating expenses

	2012 £'000	2011 £'000
Management charge payable	(47,037)	(36,898)
Administrative expenses	(17,216)	(170,139)
Other operating income	1,314	6,185
	<u>(62,939)</u>	<u>(200,852)</u>

6 Finance Income

	2012 £'000	2011 £'000
Bank interest receivable	<u>3,157</u>	<u>-</u>

7 Finance cost

	2012 £'000	2011 £'000
Interest on loan note payable to group companies	<u>7,380</u>	<u>5,771</u>

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

8 Loss before tax

Loss before tax has been arrived at after charging

	2012 £'000	2011 £'000
Net foreign exchange losses	(198)	272
Depreciation of property, plant and equipment – owned assets	3,201	4,581
Amortisation of intangible fixed assets	282	327
Impairment of goodwill	-	151,911
Operating lease rentals payable – plant and machinery	35,758	30,390
Exceptional operating items including loss on disposal of property, plant and equipment (see note 4)	10,646	1,628
Staff costs (see note 9)	104,994	89,439
Auditors' remuneration for audit services (see below)	40	40

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 2012

9 Staff costs

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

	2012 Number	2011 Number
Retail staff	5,929	5,400

	£'000	£'000
Their aggregate remuneration comprised		
Wages and salaries	96,203	80,523
Social security costs	6,200	5,774
Pension costs	2,592	3,142
	104,995	89,439

10 Tax

	2012 £'000	2011 £'000
Current tax		
UK corporation tax charge for the period	(673)	-
Total current tax	(673)	-
Deferred tax		
Deferred tax adjustment in respect of current periods	(4,601)	(18,391)
Total deferred tax	(4,601)	(18,391)
Total tax credit	(5,274)	(18,391)

Corporation tax is calculated at 25% (2011 27%) of the estimated assessable loss for the period

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

10 Tax (continued)

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

	2012 £'000	2011 £'000
Loss before tax	(20,344)	(162,432)
Loss before tax multiplied by the current tax rate of 25% (2011 27%)	(5,086)	(43,532)
Tax effect of		
Expenses that are not deductible for tax purposes	852	40,961
Group relief surrendered for nil consideration	2	1,460
Current period deferred tax not recognised	-	28
Depreciation not in deferred tax	305	470
Loss on disposal of non-qualifying assets	244	10
Deferred tax not previously recognised	(8,267)	(23,327)
Deferred tax effect of change in tax rate	6,676	5,539
Tax credit for the year	(5,274)	(18,391)

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.

A further reduction in the main rate of Corporation Tax in the UK by 2% to 21% by 1st April 2014 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 to reduce the deferred tax asset by approximately £6.3 million.

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 20

11 Property, plant and equipment

	Land and buildings £'000	Furniture, fittings and equipment £'000	Total £'000
Cost or valuation			
At 5 October 2010	-	-	-
Acquisition of business	3,190	102,524	105,714
Additions	-	4,104	4,104
Disposals	-	(1,917)	(1,917)
At 30 September 2011	3,190	104,711	107,901
Acquisition of business	61	7,138	7,199
Additions	-	8,017	8,017
Disposals	(96)	(8,435)	(8,531)
At 30 September 2012	3,155	111,431	114,586
Accumulated depreciation and impairment			
At 5 October 2010	-	-	-
Acquisition of business	(2,679)	(73,484)	(76,163)
Charge for the period	(28)	(4,553)	(4,581)
Disposals	-	1,643	1,643
At 30 September 2011	(2,707)	(76,394)	(79,101)
Charge for the period	-	(3,201)	(3,201)
Disposals	96	5,178	5,274
Impairment charge	-	(810)	(810)
At 30 September 2012	(2,611)	(75,227)	(77,838)
Carrying amount			
At 30 September 2012	543	36,204	36,748
At 30 September 2011	483	28,317	28,800

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 20

12 Intangible assets

	Goodwill £'000	Other Intangibles £'000	Computer Software £'000	Total £'000
Cost				
At 5 October 2010	-	-	-	-
Acquisition of Business	-	-	1,890	1,890
Additions	251,302	-	60	251,362
At 30 September 2011	251,302	-	1,950	253,252
Additions	90,340	-	423	90,763
Acquisition of Business	-	20,140	-	20,140
Disposals	-	-	(1,234)	(1,234)
At 30 September 2012	341,642	20,140	1,139	362,921
Accumulated amortisation and impairment				
At 5 October 2010	-	-	-	-
Acquisition of Business	-	-	(817)	(817)
Impairment charge	(151,911)	-	-	(151,911)
Amortisation charge	-	-	(327)	(327)
At 30 September 2011	(151,911)	-	(1,144)	(153,055)
Amortisation charge	-	-	(282)	(282)
Disposals	-	-	874	874
At 30 September 2012	(151,911)	-	(552)	(152,463)
Carrying amount				
At 30 September 2012	189,731	20,140	587	210,458
At 30 September 2011	99,391	-	806	100,197

Amortisation of £282,000 (2011 £327,000) 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 2012, 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, using cash flow projections discounted at pre-tax rate of 8.69% (2011 9.29%), reflecting specific risks relating to the relevant cash-generating unit.

The key assumptions used in the value in use calculations are those regarding the discount rates, revenue and cost growth rates and the level of capital expenditure required during the year. The Group prepares cash flow forecasts derived from the most recently approved annual budgets and three year plans of the relevant businesses. The cash flow forecasts reflect the risk associated with each asset. Cash flow forecasts for years beyond the three year plan period are extrapolated based on estimated growth rates which do not exceed the average long-term growth rates for the relevant markets.

Impairment losses of £nil million (2011 151.9 million) were recognised on goodwill during the year. No

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 20

reasonable change to the assumptions would lead to a material change to impairment

13 Business combinations

On 31 August 2012, the Company hived over the assets and liabilities of the Co-operative and Midlands 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 1 Limited £'000	Midlands Co-op Travel Limited £'000	Total £'000
Consideration			
Non interest bearing loan notes	35,883	4,186	40,069
Total consideration	35,883	4,186	40,069

	Co-op Group Travel 1 Limited			Midlands Co-op Travel Limited		
	£'000	£'000	£'000	£'000	£'000	£'000
	Book value	Fair value adjustments	Total	Book value	Fair value adjustments	Total
Recognised amounts of identifiable assets acquired and liabilities assumed						
Cash and cash equivalents	23,966	-	23,966	4,513	-	4,513
Property, plant and equipment (note 11)	6,447	-	6,447	752	-	752
Trademarks (note 12)	-	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)
Total identifiable net liabilities	(62,855)	17,435	(45,420)	(7,557)	2,705	(4,852)
Goodwill			81,303			9,038
Total consideration			35,883			4,186

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 20

14 Inventories

	2012 £'000	2011 £'000
Consumables	59	2,042

The cost of stock recognised as expense and included in cost of sales amounted to £nil (2011 £nil)

15 Trade and other receivables

	2012 £'000	2011 £'000
Current assets		
Trade receivables	15,782	17,103
Less provision for impairment of trade receivables	(145)	(32)
Trade receivables – net	15,637	17,071
Deposits and prepayments	18,826	16,364
Accrued income	5,714	5,557
Other receivables	1,690	-
Amounts due from Group undertakings	442,677	41
	<u>484,544</u>	<u>39,033</u>

The average credit period taken on sales of goods is 19 days (2011 22 days) An allowance has been made for estimated irrecoverable amounts from the sale of goods of £145,000 (2011 £32,000) This allowance has been determined by reference to past default experience

Bank balances and cash comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less The carrying amount of these assets approximates their fair value

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

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 20

Trade and other receivables (continued)

	2012 £'000	2011 £'000
Movement in allowances for doubtful trade receivables		
At beginning of period	(32)	-
Acquisition of subsidiary	-	(29)
Additional provision	(113)	(3)
At end of period	(145)	(32)

The other classes within trade and other receivables do not contain impaired assets

At the year end, trade and other receivables of £1,380k (2011 £2,270k) were past due but not impaired
The analysis of the age of these financial assets is set out below

	2012 £'000	2011 £'000
Ageing analysis of overdue trade and other receivables		
Less than 1 month overdue	658	1,549
Between 1 and 3 months overdue	364	349
Between 3 and 12 months overdue	355	372
More than 12 months overdue	3	-
	1,380	2,270

Trade and other receivables are not subject to restrictions on title and no collateral is held as security. The Directors consider that the carrying amounts of trade and other receivables is a reasonable approximation of their fair values.

16 Cash and cash equivalents

	2012 £'000	2011 £'000
Short term bank deposits	109,636	49,895
Cash at bank and in hand	27,039	31,346
	136,675	81,241

For the purpose of the cash flow statement, cash and cash equivalents comprise deposits with banks, bank and cash balances. The carrying amount of these assets approximates their fair value.

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 20

17 Trade and other payables

	2012 £'000	2011 £'000
Current liabilities		
Trade payables	(113,677)	(113,108)
Social security and other taxes	(4,984)	(140)
Accruals	(25,134)	(17,082)
Other payables	(2,339)	(1,454)
Amounts due to Group undertakings	(712,024)	(144,976)
Loan notes and associated interest payable to Group undertakings	(233,220)	(185,771)
	<u>(1,091,378)</u>	<u>(462,531)</u>

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 164 days (2011: 170 days).

The directors consider that the carrying amount of trade payables approximates to their fair value.

The amounts owed to the Group and subsidiary undertakings are unsecured, payable on demand.

The £180,000,000 of £1 loan notes were issued on 1 December 2010 in consideration for the purchase of the travel related trade and assets of Thomas Cook Retail Limited's high street travel agency and foreign exchange business. The loan notes are unsecured, repayable on demand and bear a floating rate of interest of LIBOR plus 2.75%. Interest payments are due on 1 October of each year. On October 4, 2011 the holder of the loan note was transferred from Thomas Cook Retail Limited to TCCT Holdings Limited. On 1 September 2012 a further £40,069,000 of £1 loan notes were issued in consideration for the purchase of the travel related trade and assets of Co-op Group Travel 1 Limited and Midlands Co-op Travel Limited. The loan notes are unsecured, repayable on demand and non-interest bearing.

	2012 £'000	2011 £'000
Maturity analysis of trade and other payables		
Less than 3 months	(999,854)	(462,531)
Between 3 and 12 months	(13,314)	-
Between 1 and 5 years	(78,210)	-
	<u>(1,091,378)</u>	<u>(462,531)</u>

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 20

18 Deferred tax

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

	2012 £'000	2011 £'000
Beginning of period	72,074	-
Income statement credit	4,601	18,391
Acquisition of business	429	53,683
End of period	77,104	72,074

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 2011	59,194	12,880	-	72,074
Current year tax (charge)/credit to the income statement	4,007	425	169	4,601
Acquisition of business	-	429	-	429
Balance at 30 September 2012	63,201	13,734	169	77,104

At the balance sheet date, the company had unused tax losses of £274.8 million (2011: £236.8 million) and other short term timing differences of £60.2 million (2011: £69.0 million) available for offset against future profits. No deferred tax asset has been recognised in respect of short term timing differences of £1.1 million (2011: £17.7 million) due to the unpredictability of future profits.

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

19 Financial instruments

Carrying values of financial assets and liabilities

The carrying values of the Company's financial assets and liabilities as at 30 September 2012 and 2011 are as set out below

	Loan and receivables £'000	Financial liabilities at amortised cost £'000
At 30 September 2012		
Trade and other receivables	484,544	-
Cash and cash equivalents	136,675	-
Trade and other payables	-	(1,091,378)
	622,219	(1,091,378)
At 30 September 2011		
Trade and other receivables	39,033	-
Cash and cash equivalents	81,241	-
Trade and other payables	-	(462,531)
	120,274	(462,531)

20 Financial risk

The Company is subject to risks related to changes in interest rates, counterparty credit and liquidity within the framework of its business operations

Liquidity risk

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.

Financial liabilities are analysed below based on the time between the period end and their contractual maturity. The amounts shown are estimates of the undiscounted future cash flows and will differ from both carrying value and fair value.

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

20 Financial risk (continued)

At 30 September 2012	Amount due				Total £'000
	in less than 3 months £'000	between 3 and 12 months £'000	between 1 and 5 years £'000	in more than 5 years £'000	
Trade and other payables	(999,854)	(13,314)	(78,210)	-	(1,091,378)
Total	(999,854)	(13,314)	(78,210)	-	(1,091,378)

At 30 September 2011	Amount due				Total £'000
	in less than 3 months £'000	between 3 and 12 months £'000	between 1 and 5 years £'000	in more than 5 years £'000	
Trade and other payables	(462,531)	-	-	-	(462,531)
Total	(462,531)	-	-	-	(462,531)

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.

The Company's approach to credit risk in respect of trade and other receivables is explained in Note 15.

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 and 30 September 2011.

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

21 Provisions for other liabilities and charges

	Closure costs £'000
At 1 October 2011	(4,399)
Acquisition of business (see note 13)	(8,419)
Additional provisions in the year	(18,106)
Utilised during the year	17,603
At 30 September 2012	<u>(13,321)</u>

The provision for closure costs is in respect of the closure of a number of retail stores which the Company committed to close as at the year end

22 Share capital

	2012 £	2011 £
Authorised:		
100 (2011 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>
Issued and fully paid:		
100 (2011 100) 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

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

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

23 Notes to the cash flow statement

	2012 £'000	2011 £'000
Loss before tax	(20,344)	(162,432)
Adjustments for		
Interest Income	(3,157)	
Interest Expenses	7,380	5,771
Depreciation of property, plant and equipment	3,201	4,581
Amortisation of intangible assets	282	327
Impairment of tangible assets	810	-
Impairment of goodwill	-	151,911
Loss on disposal of intangible assets	359	-
Loss on disposal of property, plant and equipment	3,257	274
Operating cash outflows before movements in working capital	(8,212)	432
Decrease/(increase) in inventories	1,983	(2,020)
(Increase) in trade and other receivables	(307,474)	(12,344)
Increase in trade payables	345,941	20,825
Net cash inflow from operating activities	32,238	6,893

Cash and cash equivalents comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

24 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

	2012 £'000	2011 £'000
Within one year	16,626	25,740
In the second to fifth years inclusive	57,278	61,996
After five years	63,764	27,580
	<u>137,668</u>	<u>115,316</u>

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 £389,000 (2011 £322,000)

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

	2012 £'000	2011 £'000
Within one year	1,174	743
In the second to fifth years inclusive	2,698	1,174
After five years	831	175
	<u>4,703</u>	<u>2,092</u>

25 Related party transactions

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

	Sale of goods	Purchase of goods	Amounts owed by related parties	Amounts owed to related parties
Trading transactions	2012 £'000	2012 £'000	2012 £'000	2012 £'000
Parent and fellow subsidiary undertakings	147,005	-	442,677	(945,244)
Trading transactions	2011 £'000	2011 £'000	2011 £'000	2011 £'000
Parent and fellow subsidiary undertakings	139,680	-	41	(330,747)

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

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.

The Company also paid a net management charge to the UK segment of Thomas Cook Group plc of £47,037k in respect of services provided by the Group, including information technology, legal, human resources, finance and an apportionment of the cost of outsourcing certain support services.

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 Remuneration of key management personnel

Key management compensation

The aggregate amounts of key management compensation are set out below.

	2012 £'000	2011 £'000
Salaries and short-term employment benefits	2,122	1,113
Termination benefits	153	241
Company pension contributions to defined contribution scheme	166	65
Company pension contributions to final salary schemes	-	41
Total	2,441	1,460

For the year 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. At 30 September 2012, key management comprised 19 (2011: 21) people.

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

26 Remuneration of key management personnel (continued)

Directors' emoluments

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

	2012 £'000	2011 £'000
Aggregate emoluments in respect of qualifying services	241	177
Termination benefits	-	147
Company pension contributions to defined contribution scheme	30	3
Aggregate Company pension contributions to final salary schemes	-	21
Total	271	348

nil (2011 3) directors are included in the final salary scheme for 2012

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

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

	2012 £'000	2011 £'000
Aggregate emoluments in respect of qualifying services	315	52
Termination benefits	-	105
Aggregate Company pension contributions to final salary schemes	45	7
Total	360	164

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"

27 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 £914k (2011 £3,142k)

The assets of these schemes are held separately from those of the Company in funds under the control of trustees At 30 September 2012 there were no amounts prepaid or outstanding in relation to the defined contribution scheme (2011 £nil)

TCCT Retail Limited (formerly Thomas Cook Travel Limited)

Notes to the financial statements Year ended 30 September 2012

28 Contingent liabilities

At 30 September 2012 the Company has given guarantees and counter indemnities to banks totalling £0.5 million (2011 £0.5 million) 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 £189.1 million (2011 £153.1 million).

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 £317.7m (2011 £269.3m). 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 £612.5m (2011 £646.7m) bond amount.

On 5 May 2012, the Group agreed a new financing package with its lenders, consisting of a total debt facility of £1,200m that extends the maturity of its financing until 31 May 2015. The new facility comprises a £150m term loan with no fixed repayments, a revolving credit facility of £850m and a super senior revolving credit facility of £200m. Following the disposal of the Group's share in Thomas Cook (India) Limited, in August 2012 the super senior revolving credit facility was reduced by £89m to £111m.

As at 30 September 2012, the £150m term loan (2011 £200m) was drawn down and £142m (2011 £69.3m) was drawn under the revolving credit facility. The Company continues to be a guarantor to the Group's amended banking facility arrangements.

29 Ultimate controlling party

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

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 accounts of Thomas Cook Group plc may be obtained from 6th Floor South, Brettenham House, Lancaster Place, London, WC2E 7EN.