

COMPANY REGISTRATION NUMBER 00433790

TRAVEL CHOICE OVERSEAS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2014

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TRAVEL CHOICE OVERSEAS LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

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TRAVEL CHOICE OVERSEAS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

Akbar Mahmood Ismaeel AlSaati
Nabeel Khaled Mohamed Kanoo
Maxwell Thomas Grosse
Ahmed Fawzi Ahmed Ali Kanoo

REGISTERED OFFICE

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

AUDITOR

Menzies LLP
Chartered Accountants
Lynton House
7 - 12 Tavistock Square
London
WC1H 9LT

BANKERS

HSBC Bank plc
8 Canada Square
London
E14 5HQ

TRAVEL CHOICE OVERSEAS LIMITED

STRATEGIC REPORT

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Travel Choice Overseas Limited, formerly known as Thomas Cook Overseas Limited is an intermediate holding company and trading company conducting its affairs through its branch in Egypt. The company engages principally in the business of:

- i. World travel agents
- ii. Foreign exchange retailers

On 4 October 2013, the company was sold by Thomas Cook Group Plc. to Yusuf Bin Ahmed Kanoo (Holdings) Co W.L.L.

The financial statements have been prepared for the 15 month period to 31 December 2014 to bring the period end in line with the group and therefore the amounts presented in the financial statements are not entirely comparable.

STRATEGY AND FUTURE OUTLOOK

The company will continue to operate as a holding company for the branch in Egypt under the control and supervision of Yusuf Bin Ahmed Kanoo (Holdings) Co W.L.L.

The economy is fluctuating in Egypt due to political unrest over the last few years. The political events started on 25 January 2011 and continued until 12 February 2011 when the president stepped down from the presidency. Since then the situation has been fluctuating causing negative impacts on the economy and the financial market. There was a new ruling government, a President was elected in June 2012 and referendum was assembled during November 2012. On June 30th, 2013 there was another change in the political arena, the President and government were changed. A political road map was drawn, decided and is being implemented at the moment.

The main developmental goals set for achievement are pointed out below.

Corporate Travel income drivers:

Acquire "Key" corporate travel accounts and maximise the revenue of the existing accounts in support of our leisure travel growth strategy. This will be done through:

1. Enhancing the e-commerce Business to Business solutions and tools used;
2. Using Travel Choice Services as a brand name and as a new General Sales Agent arm;
3. Enhancing our quality monitoring processes and practices in support of a competitive sales edge, account retention and growth;
4. Targeting new corporate travel accounts;
5. Promoting Business to Business solutions interfaced with back and mid office;
6. Promoting meeting and event management to our existing corporate account base and to the corporate clients of the competitors.

Leisure Travel income drivers:

Focus on promoting outbound leisure travel to our corporate account base and positioning Travel Choice Egypt as a leisure travel specialist to both the traveller and local/regional travel agencies through:

1. Establishing leisure travel sales targets per existing corporate account manager;
2. Matching products to the leisure travel requirements of the corporate account staff;
3. Promoting Travel Choice Egypt as a leisure travel specialist within Egypt and the Middle East through wholesale (Business to Business) and Electronic business.

Inbound travel – Inbound Luxury Tourism/Inbound Incentive and Conference Travel income drivers:

Travel Choice Egypt is currently positioned as a leader within the corporate travel and outbound tourism segments in the travel sector.

Our 2015 inbound tourism strategy will focus on increasing the sales/revenue of our Business to Business and Business to Consumer existing and new accounts, coupled with the acquisition of niche upmarket/luxury tour operators, as the inbound tourism improves. Initiatives will include enhancing our existing sales plan, and marketing materials e.g. website, CDs, brochures etc.

With respect to incentive and conference inbound travel, our 2015 strategy will concentrate on entering the United Kingdom, Indian, Gulf and the Middle East markets. The primary initiatives involved are to work with the marketing agency for the United Kingdom, and to work closely together with some local promoters.

Financial services income drivers:

Maintaining the current high quality services utilising our limited license scope and search for new products that would not conflict with our license, while managing the challenges of the currency exchange regulations.

TRAVEL CHOICE OVERSEAS LIMITED

STRATEGIC REPORT (*continued*)

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

FINANCIAL RISK MANAGEMENT

Risks are reviewed on multiple dimensions based on segregation of responsibilities. The local risk committee meets every week to review the various operational risk involved. On a day to day basis, operational risks are monitored on a regular basis (daily, weekly and monthly scheduled meetings) in terms of money laundering, credit management, cash and foreign currency balances, suppliers and customer contracts, employee relations, third party contracts. From a macro management perspective, risks are regularly reviewed by the Board and senior management using appropriate matrices. Authority levels and processes are put in place to monitor and mitigate any unforeseen risks.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's objectives and strategy are subject to operational risks.

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 product and services.
- Environmental risks and regulations
- Major health and safety incident
- Loss of, or difficulty in replacing, senior talent

The company's activities expose it to a variety of financial risks including foreign currency exchange risk. The company's overall risk management programme seeks to minimise the potential adverse effects on the financial performance.

- Information Technology - IT plays a major role in day to day operations, the company recognises this importance and invests accordingly in systems to ensure an efficient and reliable service is maintained.
- Foreign currency exchange rates risk - The company is exposed to foreign exchange risk arising from various currency exposures. Management aims to minimise foreign currencies positions to the extent that is necessary to conduct its activities.
- Credit risk - The company's principal financial assets are bank balances, cash and trade and inter-company debtors which represent the company's maximum exposure to credit risk in relation to financial assets. Risk is managed through internal monitoring processes.
- Price risk - The company is not materially exposed to commodity price risk as a result of its operations.
- Liquidity risk - The company has appropriate overdraft facilities in place with various banks where considered necessary. The company uses its annual budget and planning process to predict and manage expected future liquidity. The liquidity forecast is reviewed and updated on a regular basis.
- Interest rate risk - The company is subject to risks arising from interest rate movement in connection with the costs of servicing its short-term borrowings and the returns on its liquid assets. The risks associated with this are managed in conjunction with the liquidity risk.

TRAVEL CHOICE OVERSEAS LIMITED

STRATEGIC REPORT (*continued*)

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

PERFORMANCE ACHIEVED AGAINST KEY PERFORMANCE INDICATORS

The company's directors are adopting the balanced score card approach for setting SMART organizational goals and objectives, set out below is a comprehensive set of key performance indicators.

Corporate Travel

- Acquire new corporate accounts: acquired a number of key accounts e.g. SmartCom, etc.
- Fully exploit Global Distribution System incentives: Maximised benefits obtained through increasing development funds dedicated to the system and customer enhancements.
- Maximise airline overrides: negotiated airline deals through local and global deals. Obtained marketing money and increased the benefits on some airlines.
- Maximise sales with existing customers: concentrated sales efforts while addressing category A business segmentation to maximize turnover sales on long-haul routes in Europe, Far East and USA.

Leisure outbound

- Increase outbound group business: increased materialisation on corporate group quotations offered.
- Cross-sell personal leisure into corporate accounts: acquired new leisure business through dedicated sales and offering activities to cash clients working in corporate accounts through sales visits and email shots.
- Fully exploit Global Distribution System incentives: maximised benefits obtained through increasing development funds dedicated to the system and customer enhancements.
- Maximise airline overrides: negotiated airline deals through local and global deals.
- Grow Business to Business (expanding into neighbouring countries): acquired a number of general sales agents in Egypt, the GCC and the Middle East.

Inbound Travel

- Increase business with existing customers by 10%; some business was materialised.
- Increase business from India by 15%: regained some groups and individuals.
- Develop and enhance the Greek and French business.

Registered office:
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

Signed by order of the directors



Akbar Mahmood Ismaeel AlSaati

Director

Approved by the directors on 29/11/2015

TRAVEL CHOICE OVERSEAS LIMITED

DIRECTORS' REPORT

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

The directors present their report and the financial statements of the company for the period from 1 October 2013 to 31 December 2014.

DIRECTORS

The directors who served the company during the period were as follows:

Akbar Mahmood Ismaeel AlSaati	(appointed 4 October 2013)
Nabeel Khaled Mohamed Kanoo	(appointed 4 October 2013)
Maxwell Thomas Grosse	(appointed 4 October 2013)
Ahmed Fawzi Ahmed Ali Kanoo	(appointed 4 October 2013)
Thomas Cook Group Management Services Limited	(resigned 4 October 2013)
Nigel John Arthur	(resigned 4 October 2013)
Peter Fankhauser	(resigned 4 October 2013)

RESULTS AND DIVIDENDS

The company made a loss before income tax of £38,000 (2013: £1,377,000 profit)

Dividends of £1,857,968 (2013: £4,437,000) were paid during the financial period.

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

STRATEGIC REPORT

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2014 to set out within the company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties

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

Application for employment by disabled persons is always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

CHARITABLE AND POLITICAL DONATIONS

During the year, no charitable donations were made (2013: £Nil). The company made no political donations during the current or prior year.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a director at the date of approval of this report confirm that:

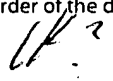
- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Menzies LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

Signed by order of the directors


Akbar Mahmood Ismaeel AlSaati
Director

Approved by the directors on 29/11/2015.

TRAVEL CHOICE OVERSEAS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

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 period. Under that law the directors have elected to prepare 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Registered office:
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

Signed by order of the directors



Akbar Mahmood Ismaeel AlSaati

Director

Approved by the directors on 29/11/2015

TRAVEL CHOICE OVERSEAS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TRAVEL CHOICE OVERSEAS LIMITED

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

We have audited the financial statements of Travel Choice Overseas Limited for the period from 1 October 2013 to 31 December 2014 which comprises the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, 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.

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 31 December 2014 and of its profit/loss 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 period for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Lynton House
7 - 12 Tavistock Square
London
WC1H 9LT

30/11/2015



RALPH MITCHISON FCA (Senior
Statutory Auditor)
For and on behalf of
MENZIES LLP
Chartered Accountants
& Statutory Auditor

TRAVEL CHOICE OVERSEAS LIMITED

INCOME STATEMENT

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

	Note	Period from 1 Oct 13 to 31 Dec 14 £000	Year to 30 Sep 13 £000
REVENUE	3	8,219	7,408
Administrative expenses – other		7,349	6,331
Administrative expenses – waiver of intercompany debt		998	-
OPERATING PROFIT / (LOSS)	5	(128)	1,077
Finance income	4	103	326
Finance costs	4	(13)	(26)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(38)	1,377
Tax on profit / (loss) on ordinary activities	9	354	248
PROFIT / (LOSS) FOR THE FINANCIAL PERIOD		(392)	1,129

The result for the year is wholly attributed to the continuing operations of the company.

The notes on pages 13 to 26 form part of these financial statements.

TRAVEL CHOICE OVERSEAS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

	Period from 1 Oct 13 to 31 Dec 14 £000	Year to 30 Sep 13 £000
Profit / (loss) for the financial period	(392)	1,129
Other comprehensive expense:		
Currency translation differences	(28)	(1,294)
Total comprehensive income/(loss) for the period	<u>(420)</u>	<u>(165)</u>

The notes on pages 13 to 26 form part of these financial statements.


TRAVEL CHOICE OVERSEAS LIMITED

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2014

	Note	31 Dec 14 £000	30 Sep 13 £000
NON-CURRENT ASSETS			
Property, plant and equipment	10	410	350
Investments in subsidiary	11	22	22
Deferred tax	15	215	203
Total non-current assets		647	575
CURRENT ASSETS			
Trade and other receivables	12	8,951	9,634
Cash and cash equivalents	13	4,487	4,243
Total current assets		13,438	13,877
TOTAL ASSETS		14,085	14,452
CURRENT LIABILITIES			
Trade and other payables	14	6,068	4,176
Tax payable		137	118
Total liabilities		6,205	4,294
EQUITY			
Called-up equity share capital	16	6,387	6,387
Share premium account		293	293
Retained earnings		1,200	3,478
Total equity		7,880	10,158
TOTAL EQUITY AND LIABILITIES		14,085	14,452

These accounts were approved by the directors and authorised for issue on 29/11/2015, and are signed on their behalf by:


Akbar Mahmood Ismaeel AlSaati
Director

Company Registration Number: 00433790

The notes on pages 13 to 26 form part of these financial statements.

TRAVEL CHOICE OVERSEAS LIMITED

STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 2014

	Share Capital £'000	Retained Earnings £'000	Share Premium £'000	Total £'000
Balance as at 30 September 2012	7,507	6,288	293	14,088
Total comprehensive income for the year	-	(165)	-	(165)
Group relief not at the standard rate of UK tax	-	672	-	672
Dividends paid	-	(4,437)	-	(4,437)
Capital reduction	(1,120)	1,120	-	-
Balance as at 30 September 2013	6,387	3,478	293	10,158
Balance as at 01 October 2013	6,387	3,478	293	10,158
Total comprehensive income for the period	-	(420)	-	(420)
Dividends paid	-	(1,858)	-	(1,858)
Balance as at 31 December 2014	6,387	1,200	293	7,880

The notes on pages 13 to 26 form part of these financial statements.

TRAVEL CHOICE OVERSEAS LIMITED

CASH FLOW STATEMENT

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

		Period from 1 Oct 13 to 31 Dec 14		Year to 30 Sep 13	
		£'000	£'000	£'000	£'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	17	2,654		1,372	
Finance income		90		300	
Taxation		(350)		(480)	
Net cash generated from operating activities			2,394		1,192
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	10	(245)		(105)	
Proceeds on disposal of property, plant and equipment		11		11	
Net cash (used in)/generated from investing activities			(234)		(94)
NET CASH USED IN INVESTING ACTIVITIES					
Equity dividends paid		(1,858)		(4,437)	
Net cash used in financing activities			(1,858)		(4,437)
Effect of foreign exchange			(58)		(664)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			244		(4,003)
Cash and cash equivalents at beginning of the year			4,243		8,246
Cash and cash equivalents at the end of the year	13		4,487		4,243

The notes on pages 13 to 26 form part of these financial statements.

TRAVEL CHOICE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

1. GENERAL INFORMATION

Travel Choice Overseas Limited, formerly known as Thomas Cook Overseas Limited is a company incorporated in Great Britain under the Companies Act 2006. The address of its registered office is Lynton House, 7-12 Tavistock Square, London, WC1H 9LT. The nature of the Company's operations and its principal activities are set out in the Strategic report. These financial statements are presented in pounds sterling, which is the Company's presentational currency.

The Company is a wholly-owned subsidiary company of Yusuf Bin Ahmed Kanoo (Holdings) Co W.L.L., a company incorporated in Bahrain. The Company is exempt from the requirement to prepare group accounts in accordance with section 402 of the Companies Act 2006. The Company has a 98% shareholding in Travel Choice Services S.A.E., a company incorporated in Egypt which is excluded from consolidation on the basis that the inclusion of the subsidiary is not material for the purpose of giving a true and fair view in accordance with section 405 of the Companies Act 2006

The following new standards, amendments to standards and interpretations that have not been applied in these financial statements, were in issue but not yet effective:

IFRS 2 Share-based payment : 1 July 2014
IFRS 3 (Revised) Business combinations (January 2008) : 1 July 2014
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: 1 January 2016
IFRS 7 Financial instruments: Disclosure : 1 January 2016/IFRS 9 effective date
IFRS 8 Operating segments : 1 July 2014
IFRS 9 Financial Instruments (issued October 2010) : 1 January 2018
IFRS 10 Consolidated Financial Statements : 1 January 2016
IFRS 11 Joint Arrangements : 1 January 2016
IFRS 12 Disclosure of Interests in Other Entities : 1 January 2016
IFRS 13 Fair Value Measurement : 1 July 2014
IFRS 14 Regulatory Deferral Accounts : 1 January 2016
IFRS 15 Revenue from Contracts with Customers : 1 January 2018
IFRS for Small and Medium-sized Entities : 1 January 2017
IAS 1 Presentation of Financial Statements : 1 January 2016
IAS 16 Property plant and equipment : 1 July 2014/1 January 2016
IAS 19 Employee benefits : 1 July 2014/1 January 2016
IAS 24 Related Party Disclosures : 1 July 2014
IAS 27 Separate Financial Statements : 1 January 2016
IAS 28 Investments in Associates and Joint Ventures : 1 January 2016
IAS 34 Interim Financial Reporting : 1 January 2016
IAS 38 Intangible assets : 1 July 2014/1 January 2016
IAS 39 Financial instruments: IFRS 9 effective date
IAS 40 Investment property : 1 July 2014
IAS 41 Agriculture : 1 January 2016

2. ACCOUNTING POLICIES

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

Basis of preparation

These financial statements have been prepared in accordance with IFRS and IFRIC interpretations as adopted for use in the European Union 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 the Company has adopted.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (functional currency). The financial statements are presented in sterling which is the company's presentational currency. All amounts related to the Egypt branch are translated from Egyptian Pound to Sterling.

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

TRAVEL CHOICE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

2. ACCOUNTING POLICIES (continued)

Revenue

Revenue comprises commission from services rendered as a touristic agency for flight companies, hotels and other travel arrangements and margins arising on the sale of foreign exchange and travellers' cheques. Revenue is stated net of VAT and trade discounts.

Revenues and expenses relating to package holidays and commissions on travel arrangements are recognised on holiday departure.

Foreign exchange commissions and margins on the sale of currencies are recognised at point of purchase.

Profit from inclusive tours and the cost of brochure publication relating thereto are taken to the income statement in the financial year in which the tour commences.

Trade receivables

Trade receivables are carried at cost less any impairment. An 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 receivables. The amount of the allowance is the difference between the carrying amount and the recoverable amount, and the amount of the loss is recognised in the income statement within "Administrative Expenses". Expected cash flows are discounted at the market rate of interest for similar borrowers.

Cash and cash equivalents

Cash and cash equivalents are carried at cost. Bank overdrafts are included within borrowings in current liabilities on the Statement of Financial Position. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, cash at bank, and bank overdrafts.

Administrative expenses

Administrative expenses include the cost of staff, finance, and general administrative services.

Property, plant and equipment

Fixed assets are stated at historical cost less accumulated depreciation. The cost of fixed assets is their purchase price, together with any cost to the asset in a working condition as intended by management.

Depreciation

Depreciation is provided on a straight-line basis so as to write off the cost or valuation of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Buildings and leasehold buildings	-	over the shorter of 50 years or the lease term
Furniture, fittings, vehicles and equipment	-	ranging between 7 and 33%

Investments

Investments in subsidiaries are included in the financial statement at cost.

Borrowings

Borrowings are recognised initially at fair value, net of transactions costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transactions costs) and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method.

Borrowings are classified as a current liability unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade payables

Trade payables are generally carried at the value of services received from others, whether invoiced or not. Where services received and trade payables are initially recognised at the present value of expected cash outflows using the market rate of interest for similar borrowings. Thereafter, trade payables are carried at amortized cost.

Operating leases

Costs in respect of operating leases are charged directly to the income statement on a straight line basis over the lease term.

TRAVEL CHOICE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

2. ACCOUNTING POLICIES (continued)

Foreign currencies

Exchange differences arising from the retranslation of the opening net assets of its branch which has currencies of operation other than Sterling are taken to the reserves together with the differences arising when the income statement are translated at average rates and compared with rates ruling at year-end.

Other transactions denominated in foreign currencies are translated into sterling at the actual rates of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the rates of exchange ruling at the balance sheet date. Exchange gains and losses are taken to the income statement.

Taxation

Income tax comprises current and deferred tax. It is recognised in the income statement, except to the extent it relates to items recognised directly in equity, in which case the associated tax is also recognised in equity.

Current tax is the expected tax payable on taxable income for the financial period, using tax rates enacted at balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the liability method whereby deferred tax arises on temporary differences between the tax base of assets and liabilities used for taxation purposes and their carrying amounts for financial reporting purposes. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Non derivative financial instruments

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

Trade and other 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 carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Income Statement within 'administrative expenses'. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administrative expenses' in the Income Statement.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. When there is objective evidence that the Company will not be invoiced for amounts due over one year, these amounts are recognised in the Income Statement.

TRAVEL CHOICE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

3. REVENUE

Revenue analysis as follows:

	Period from 1 Oct 13 to 31 Dec 14 £000	Year to 30 Sep 13 £000
Sales of package holidays and other travel services	7,967	6,646
Foreign exchange services	252	762
Total	8,219	7,408

Business and geographical segments:

The business and geographical segments can be split as follows:

	Period from 1 Oct 13 to 31 Dec 14 £000	Year to 30 Sep 13 £000
Africa	8,219	7,408
Total	8,219	7,408

4. FINANCE INCOME/(COSTS)

	Period from 1 Oct 13 to 31 Dec 14 £000	Year to 30 Sep 13 £000
Bank interest received	103	326
Bank interest paid	(13)	(26)
Total	90	300

5. OPERATING PROFIT / (LOSS)

Operating profit / (loss) for the period has been arrived at after charging the following items within administrative expenses:

	Period from 1 Oct 13 to 31 Dec 14 £000	Year to 30 Sep 13 £000
Staff costs (see note 7)	3,424	2,734
Directors fees	13	-
Depreciation of property, plant and equipment - owned assets	218	168
Profit on disposal of fixed assets	11	11
Operating lease rentals - land and buildings	842	632
Exchange (gain) / loss	(5)	28
Waiver of loan owed by Travel Choice Lebanon S.A.L.	998	-

TRAVEL CHOICE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

6. AUDITOR'S REMUNERATION

	Period from 1 Oct 13 to 31 Dec 14 £000	Year to 30 Sep 13 £000
Fees payable for audit services	32	42
Fees payable for taxation compliance services	16	21
	<u>48</u>	<u>63</u>

7. STAFF COSTS

	Period from 1 Oct 13 to 31 Dec 14 £000	Year to 30 Sep 13 £000
Wages and salaries	3,152	2,517
Social security costs	272	217
	<u>3,424</u>	<u>2,734</u>

The average monthly number of employees are as follows:

	Period from 1 Oct 13 to 31 Dec 14 No	Year to 30 Sep 13 No
Retail staff	293	345
Administrative staff	43	43
Overseas staff	<u>336</u>	<u>388</u>

8. DIRECTORS REMUNERATION

	Period from 1 Oct 13 to 31 Dec 14 £000	Year to 30 Sep 13 £000
Aggregate emoluments	13	-
	<u>13</u>	<u>-</u>

No pension payments are made on behalf of any of the directors.

TRAVEL CHOICE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

9. INCOME TAX CREDIT/ (CHARGE)

	Period from 1 Oct 13 to 31 Dec 14 £000	Year to 30 Sep 13 £000
Current tax:		
UK corporation tax charge for the year	297	339
UK corporation tax adjustments in respect of prior periods	-	(211)
Double taxation relief	(297)	(339)
Overseas tax charge for the year	297	339
Overseas tax adjustment in respect of prior years	69	81
Total current tax charge	366	209
Deferred tax:		
Movement in current year	(12)	-
Movement of prior periods	-	39
Tax charge (credit)	354	248

Corporation tax is calculated at 21.8% (2013 – 23.5%) of the estimated taxable profit / loss for the period.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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

	Period from 1 Oct 13 to 31 Dec 14 £000	Year to 30 Sep 13 £000
Profit/ (Loss) before tax	(38)	1,377
Profit/(loss) before tax multiplied by the current tax rate of 21.8% (2013: 23.5%)	(8)	324
Effects of:		
Adjustments to tax in respect of the prior periods	69	(91)
Expenses not deductible for tax purposes	218	8
Foreign tax credits	34	-
Depreciation not in deferred tax	4	12
Group relief consideration at a non-standard UK rate of tax		(29)
Deferred tax effect of reduction in main corporation tax	37	24
Tax charge (credit) for the year	354	248

The UK corporation tax rates have fallen from 23.5% to 21.8% in the current period as a result of reductions in the UK main rate of corporation tax reducing from 23% to 21% during the year ended 31 March 2015.

TRAVEL CHOICE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

9. INCOME TAX EXPENSE (continued)

Statement of changes in equity (charge) / credit

Period from
1 Oct 13 to
31 Dec 14
£000

Year to
30 Sep 13
£000

Group relief not at the standard rate of UK tax

-

672

Statement of financial position

31 Dec 14
£000

30 Sep 13
£000

Corporation tax receivable / (payable)

(137)

(118)

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings £000	Furniture, fittings, vehicles and equipment £000	Total £000
Cost			
At 1 October 2012	144	1,613	1,757
Exchange adjustment	(17)	(186)	(203)
Additions	-	105	105
Disposals	-	(215)	(215)
As at 1 October 2013	127	1,317	1,444
Exchange adjustment		3	3
Additions	-	245	245
Disposals	-	(29)	(29)
At 31 December 2014	127	1,536	1,663
Accumulated Depreciation			
At 1 October 2012	51	1,268	1,319
Exchange adjustment	(6)	(172)	(178)
Charge for the year	3	165	168
Disposals	-	(215)	(215)
As at 1 October 2013	48	1,046	1,094
Exchange adjustment	(1)	(29)	(30)
Charge for the period	4	214	218
Disposals	-	(29)	(29)
At 31 December 2014	51	1,202	1,253
At 31 December 2014	76	334	410
At 30 September 2013	79	271	350

TRAVEL CHOICE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

11. INVESTMENTS

On 27 May 2012 Travel Choice Services S.A.E. was established in Egypt. The investment in the subsidiary is represented in a paid capital payment of 245,000 Egyptian pounds. The subsidiary is 98% owned by Travel Choice Overseas Limited.

Investment in the subsidiary is as follows:

	Country of incorporation	Investment Value £'000
Travel Choice Services S.A.E.	Egypt	22

This investment can be broken down as follows:

	£'000
Cost	
As at 1 October 2013	22
Additions	-
Exchange adjustment	-
As at 31 December 2014	<u>22</u>

12. TRADE AND OTHER RECEIVABLES

	31 Dec 14 £000	30 Sep 13 £000
Current assets		
Trade receivables	8,563	8,382
Less: provision for impairment of trade receivables	(317)	(292)
Net Trade receivables	<u>8,246</u>	<u>8,090</u>
Amounts owed by group undertakings	140	1,136
Other receivables	71	84
Prepayments and accrued income	494	324
	<u>8,951</u>	<u>9,634</u>

The average credit period taken on sales is 45 days (2013: 50 Days). No interest is charged on the receivables. The credit risk in respect of direct receivables from customers is limited, as it is guaranteed by corporate contracts.

Deposits and prepayments include amounts paid in advance to suppliers of services and historically have covered periods from 1 to 12 months in advance. The Group's current policy, which is also adopted by the Company, is that deposits and prepayments will normally only be made for periods of up to twelve months in advance.

The Company's credit risk is primarily attributable to these receivables. The amounts presented in the balance sheet include allowances for doubtful receivables. This allowance has been determined by reference to past default experience.

TRAVEL CHOICE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

12. TRADE AND OTHER RECEIVABLES (continued)

	31 Dec 14 £000	30 Sep 13 £000
Movement in allowances for doubtful trade receivables		
At the beginning of the year	292	251
Exchange adjustment	-	(36)
Charged to the Income statement	25	77
	<u>317</u>	<u>292</u>

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

At the year end, trade receivables of £4,500,000 (2013: £5,303,000) were past due but not impaired. The analysis of the age of these financial assets is set out below.

	31 Dec 14 £000	30 Sep 13 £000
Ageing analysis of overdue trade and other receivables		
Up to 3 months overdue	1,510	3,347
Between 3 and 6 months overdue	1,244	1,491
Above 6 months overdue	1,746	465
	<u>4,500</u>	<u>5,303</u>

Trade and other receivables are not subject to restrictions on title and no collateral is held as security. The company considers that the carrying amount of trade and other receivables is a reasonable approximation of their fair values. Intercompany receivables are unsecured, repayable on demand and are interest free.

13. CASH AND CASH EQUIVALENTS

	31 Dec 14 £000	30 Sep 13 £000
Short term bank deposits	-	-
Cash at bank and in hand	4,487	4,243
Cash and cash equivalents per the cash flow statement	<u>4,487</u>	<u>4,243</u>

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

TRAVEL CHOICE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

14. TRADE AND OTHER PAYABLES

	31 Dec 14 £000	30 Sep 13 £000
Trade payables	3,058	3,094
Amounts owed to group undertakings	2,021	-
Other payables	552	723
Accruals	437	359
	6,068	4,176

Trade payables and accruals principally comprise amounts outstanding for trade purchases and on-going costs. The average credit period taken for trade purchases between 15 and 30 days (2013: 15 and 30 days).

The company 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 and are interest free.

	31 Dec 14 £000	30 Sep 13 £000
Ageing analysis of trade and other payables		
Less than 3 months	5,302	3,041
Between 3 and 6 months	173	832
Above 6 months	593	303
	6,068	4,176

15. DEFERRED TAXATION

	Accelerated tax depreciation £'000	Fair value gains £'000	Other £'000	Total £'000
At 1 October 2012	228	-	14	242
Current year tax credit to the Income statement	(38)	-	(1)	(39)
At 30 September 2013	190	-	13	203
Current year tax credit to the Income statement	-	-	12	12
At 31 December 2014	190	-	25	215

No deferred tax assets have been offset against tax liabilities.

At the balance sheet date, the company had short term timing differences of £1,076,000 (2013: £981,000) for offset against future profits. There are no unprovided deferred tax assets or liabilities

TRAVEL CHOICE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

16. CALLED UP SHARE CAPITAL

	31 Dec 14 £'000	30 Sep 13 £'000
Authorised		
8,000,000 (2013: 8,000,000) ordinary shares of £1 each	<u>8,000</u>	<u>8,000</u>
Allotted, issued and fully paid:		
6,387,000 (2013: 6,387,000) ordinary shares of £1 each	<u>6,387</u>	<u>6,387</u>

The company has one class of ordinary shares, which carries no right to fixed income.

17. NOTES TO THE CASH FLOW STATEMENT

	Period from 1 Oct 13 to 31 Dec 14 £000	Year to 30 Sep 13 £000
Operating profit / (loss) from continuing operations	(128)	1,077
Adjustments for:		
Depreciation of property, plant and equipment	218	168
Profit on disposal of fixed assets	(11)	(11)
Operating cash inflows before movements in working capital	<u>79</u>	<u>1,234</u>
Decrease/(Increase) in trade and other receivables	683	(253)
Increase/(Decrease) in trade and other payables	1,892	391
Cash generated from operating activities	<u>2,654</u>	<u>1,372</u>

18. OPERATING LEASE AGREEMENTS

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

	31 Dec 14 £000	30 Sep 13 £000
Within 1 year	406	225
2 – 5 years	<u>1,602</u>	<u>17</u>
	<u>2,008</u>	<u>242</u>

Operating lease payments represent rentals payable by the Company for property leasing.

TRAVEL CHOICE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

19. CONTINGENT LIABILITIES

At 31 December 2014 the Egyptian Branch had contingent liabilities in respect of banks of other guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. In the ordinary course of business the Egyptian Branch grants letter of guarantees to third parties amounting to £250,000 (2013: £297,000).

20. RELATED PARTY TRANSACTIONS

For the period of ownership until 4 October 2013, Thomas Cook Group plc, the former ultimate parent company, and its fellow group undertakings were considered as related parties of the company.

Travel Choice Lebanon S.A.L. (formerly known as Thomas Cook Lebanon S.A.L.) and its fellow group undertakings are considered related parties of the company.

The transactions during the period were as follows:

	Period from 1 Oct 13 to 31 Dec 14 £000	Year to 30 Sep 13 £000
Total sales to Travel Choice Lebanon S.A.L.	18	18
Total purchases from Travel Choice Lebanon S.A.L.	85	712
Waiver of loan owed by Travel Choice Lebanon S.A.L.	998	-
Dividends paid to Thomas Cook UK Limited	1,715	4,437
Dividends paid to Yusuf Bin Ahmed Kanoo (Holdings) Co W.L.L.	143	-

The company has the following amounts outstanding at the balance sheet date with Group companies:

	31 Dec 14 £'000	30 Sep 13 £'000
Amounts receivable from:		
Travel Choice Services S.A.E.	10	7
Travel Choice Lebanon S.A.L.	130	1,129
Amounts owed by group undertakings (note 12)	140	1,136
Amounts payable to:		
Travel Choice Lebanon S.A.L.	21	-
Yusuf Bin Ahmed Kanoo (Holdings) Co W.L.L.	2,000	-
Amounts owed to group undertakings (note 14)	2,021	-

TRAVEL CHOICE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

21. FINANCIAL INSTRUMENTS

Carrying values of financial assets and liabilities

The carrying values of the Company's financial assets and liabilities as at 31 December 2014 and 30 September 2013 are set out below:

	Loans & Receivables £'000	Financial liabilities at amortised cost £'000
At 31 December 2014		
Trade and other receivables (note 12)	8,246	-
Trade and other payables (note 14)	-	3,058
	<u>8,246</u>	<u>3,058</u>
At 30 September 2013		
Trade and other receivables (note 12)	8,090	-
Trade and other payables (note 14)	-	3,094
	<u>8,090</u>	<u>3,094</u>

22. FINANCIAL RISKS

The Company's activities are exposed to a variety of financial risks. The Company's overall risk management policies seek to minimise the potential adverse effects on financial performance and net assets of the Company.

Foreign currency risk

The company is exposed to foreign currency risk arising from operations domestically and overseas, primarily with respect to United States Dollars and Euros. The company does not currently hedge its cash flows, but management aims to minimize open positions in foreign currencies to the extent that is necessary to conduct its activities.

Interest rate risk

The Company's income and operating cash flows are subject to changes in market interest rates, total financial assets subject to fixed interest amounts £Nil (2013: Nil).

Credit risk

Concentrations of credit risk with respect to trade receivables are limited due to the Company's large number of customers, and the fact that these are multinational companies with good financial position, in addition to the company stating proper terms and conditions in the contracts made with customers to secure collection. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's trade receivables. The Company's approach to credit risk is set out in note 12.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Company management aims at maintaining flexibility in funding by keeping committed credit lines available.

TRAVEL CHOICE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2013 TO 31 DECEMBER 2014

22. FINANCIAL RISKS (continued)

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 31 December 2014 and 30 September 2013.

23. ULTIMATE PARENT AND CONTROLLING PARTY

The company is a subsidiary of Yusuf Bin Ahmed Kanoo (Holdings) Co W.L.L., which is incorporated in Bahrain.