

**Thomas Cook Holidays Limited**  
**Annual report**  
**for the year ended 31 October 2006**

**Registered Number 634534**

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**Thomas Cook Holidays Limited**  
**Annual Report**  
**For the year ended 31 October 2006**  
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# Thomas Cook Holidays Limited

## Directors and advisors for the year ended 31 October 2006

### Directors

Ian Simon Ailles (resigned 1 March 2007)

David Michael William Hallisey

Christopher James Gadsby (appointed 29 January 2007)

### Secretary

David Michael William Hallisey

### Registered Office

17 Coningsby Road

Peterborough

PE3 8SB

### Auditors

PricewaterhouseCoopers LLP

Abacus House

Castle Park

Cambridge

CB3 0AN

# Thomas Cook Holidays Limited

## Directors' report for the year ended 31 October 2006

The directors present their report and the audited financial statements for the year ended 31 October 2006

### Principal activity

The company did not trade during the period under review. There is no intention to recommence trade during the forthcoming year.

### Dividends

The directors do not recommend the payment of a dividend to equity shareholders (2005: nil). The dividend earned by non-equity shareholders in the year is £32,032 (2005: £27,274). The non-equity shareholders waived the right to any cumulative dividends after the year end. This has been disclosed as a significant post-balance sheet event in the notes to these accounts.

### Directors and their interests

The directors of the company at 31 October 2006, all of whom have been directors for the whole of the period except where indicated, are listed on page 3.

None of the directors had an interest in the shares of the parent or other group companies during the year.

### Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual 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 elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards 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 in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

### Disclosure of information to auditors

In accordance with Section 234ZA of the Companies Act, in the case of each of the persons who are directors at the time of when the report is approved, the following applies:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any audit information and to establish that the company's auditors are aware of that information.

# Thomas Cook Holidays Limited

## Directors' report for the year ended 31 October 2006 (continued)

### Auditors

The directors have appointed PricewaterhouseCoopers LLP as auditors of the company This is to fill a casual vacancy This appointment will be confirmed at the forthcoming Annual General Meeting

By order of the board



C J Gadsby  
Director

13th February 2008

# Thomas Cook Holidays Limited

## Independent auditors' report to the members of Thomas Cook Holidays Limited

We have audited the financial statements of Thomas Cook Holidays Limited for the year ended 31 October 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom Generally Accepted Accounting Practice are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed. We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 October 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Cambridge

18<sup>th</sup> February 2008

# Thomas Cook Holidays Limited

## Profit & loss account for the year ended 31 October 2006

	Note	2006 £'000	Restated 2005 £'000
Interest payable and similar charges	2	(32)	(27)
<b>Loss on ordinary activities before taxation</b>		<b>(32)</b>	<b>(27)</b>
Tax credit on loss	6	-	-
<b>Loss for the financial year</b>		<b>(32)</b>	<b>(27)</b>

All activities relate to continuing operations

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents

## Statement of total recognised gains and losses

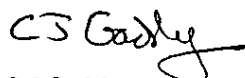
	Note	2006 £'000	Restated 2005 £'000
<b>Loss for the financial year</b>		<b>(32)</b>	<b>(27)</b>
Total recognised losses relating to the year		<b>(32)</b>	<b>(27)</b>
Prior year adjustment – recognition of liability for cumulative preference share dividends		<b>(122)</b>	
<b>Total losses recognised since the last annual report</b>		<b>(154)</b>	

# Thomas Cook Holidays Limited

## Balance sheet as at 31 October 2006

	Note	2006 £'000	As restated 2005 £'000
<b>Fixed Assets</b>			
Investments	7	1,071	1,071
<b>Creditors: Amounts falling due within one year</b>	8	<b>(1,225)</b>	<b>(1,193)</b>
<b>Net current liabilities</b>		<b>(154)</b>	<b>(122)</b>
<b>Net liabilities</b>		<b>(154)</b>	<b>(122)</b>
<b>Capital and reserves</b>			
Called up share capital	9	50	50
Profit and loss account	10	(204)	(172)
<b>Total shareholders' deficit</b>		<b>(154)</b>	<b>(122)</b>

The financial statements on pages 7 to 13 were approved by the board of directors on 13<sup>th</sup> February 2008 and were signed on its behalf by



**C J Gadsby**  
**Director**

# Thomas Cook Holidays Limited

## Notes to the financial statements

### 1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 1985. A summary of the more important accounting policies, which have been reviewed by the directors in accordance with Financial Reporting Standard ('FRS') 18 'Accounting Policies', and which have been applied consistently, is set out below, together with an explanation of where changes have been made to previous policies.

#### Basis of accounting

The accounts have been prepared under the historical cost convention. The company is exempt from preparing consolidated accounts. The financial statements are prepared on a going concern basis. Thomas Cook UK Limited has confirmed its intention to make sufficient funds available to enable the Company to meet its liabilities as they fall due and to continue as a going concern.

#### Change in accounting policies

The company has adopted FRS 25 'Financial instruments: disclosure and presentation aspects' in these financial statements. The adoption of this standard represents a change in accounting policy and comparative figures have been restated accordingly.

The effect of this change in accounting policy on the company's figures was to reclassify preference shares of £834,000 (2005: £834,000) and their related cumulative dividend arrears of £154,053 (2005: £122,021) from equity to liabilities and the related dividends of £32,032 (2005: £27,274) are recognised as an interest cost.

#### Dividends

Dividend distributions to the company's equity shareholders are recognised as a liability either in the period in which the dividends are approved by the company's shareholders or, in the case of interim dividends when the dividend is paid. Non-equity dividends in respect of preference shares are recognised as a liability in the period to which they relate. Under FRS 25, these dividends are now recognised as an interest cost.

#### Fixed asset investments

Fixed asset investments are stated at cost unless, in the opinion of the directors, there has been a permanent diminution in value.

#### Cash flow statement and related party transactions

The company is a wholly owned subsidiary of Thomas Cook Signature Limited and is included in the consolidated financial statements of Thomas Cook Group plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash Flow Statements'. The company is also exempt under the terms of FRS 8 'Related Party Disclosures' from disclosing related party transactions with entities that are part of the Thomas Cook Group plc group or investees of the Thomas Cook Group plc group.

### 2 Interest payable and similar charges

	2006 £'000	As restated 2005 £'000
Preference share dividend due 3.8 pence (2005: 3.3 pence) per share	32	27
	32	27

# Thomas Cook Holidays Limited

## Notes to the financial statements (continued)

### 3 Employee Information

The company had no employees during the period (2005 nil)

### 4 Directors' remuneration

Directors' remuneration is borne centrally and is paid for by Retail Travel Limited (formerly Thomas Cook Retail Limited)

### 5 Auditors' remuneration

Auditors' remuneration is borne centrally and is paid for by Retail Travel Limited (formerly Thomas Cook Retail Limited)

### 6 Tax on loss for the year

	2006 £'000	As restated 2005 £'000
<b>Current Tax</b>		
Loss on ordinary activities before taxation	(32)	(27)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	(10)	(8)
Effects of Expenses not deductible for tax purposes	10	8
Total current tax	-	-

The company had no deferred tax assets or liabilities at 31 October 2006 (2005 £nil)

# Thomas Cook Holidays Limited

## Notes to the financial statements (continued)

### 7 Fixed asset investment

	Shares in group undertakings 2006 £'000
<b>Cost and net book value</b>	
<b>At 1 November 2005 and 31 October 2006</b>	<b>1,071</b>

The company's investment comprises interests in group undertakings, details of which are shown below

Name of undertaking	Description of shares held	Proportion of nominal value shares held by the group %	Nature of activity
Time Off Limited	107,143 Ordinary shares of £1 each	100%	Dormant
	700,000 Preference shares of £1 each	100%	
A A H (1997) Limited	50,000 Ordinary shares of £1 each	100%	Dormant
	200,000 Preference shares of £1 each	100%	

The subsidiary undertakings are incorporated and registered in England and Wales

The preference shares do not carry any voting rights and were issued at par. Shareholders have no rights to dividends and, on winding up, preference shareholders rank above ordinary shareholders. The preference shares may be redeemed at par by the shareholders giving 7 days notice or by the company giving not less than 3 months notice.

# Thomas Cook Holidays Limited

## Notes to the financial statements (continued)

### 8 Creditors – amounts falling due within one year

	2006 £'000	As restated 2005 £'000
Amount owed to parent company	237	237
Redeemable preference shares of £1 each	834	834
Cumulative dividend arrears on preference shares	154	122
	<b>1,225</b>	<b>1,193</b>

The preference shares do not carry any voting rights and were issued at par

The holders of the redeemable preference shares shall be entitled to be paid a cumulative preferential dividend calculated on the par value of each share

The preference shares may be redeemed at par by the shareholders giving 7 days notice or by the company giving not less than 3 months notice

### 9 Called up share capital

	2006 £'000	As restated 2005 £'000
<b>Authorised</b>		
50,000 Ordinary shares of £1 each	50	50
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	50	50

### 10 Reserves

	Profit and loss account £'000
At 1 November 2005	
As previously reported	(50)
Prior year adjustment – recognition of liability for cumulative preference share dividends	(122)
As restated	(172)
Retained loss for the year	(32)
<b>At 31 October 2006</b>	<b>(204)</b>

# Thomas Cook Holidays Limited

## Notes to the financial statements (continued)

### 11 Reconciliation of movements in shareholders' deficit

	2006 £'000	2005 £'000
<b>Equity shareholders' funds</b>		
Equity shareholders' funds at 1 November 2005 as previously reported	-	-
Prior period adjustment – recognition of cumulative dividend liability on preference shares	(122)	(95)
Equity shareholders' deficit as restated	(122)	(95)
Loss for the year	(32)	(27)
<b>Equity shareholders' deficit at 31 October 2006</b>	<b>(154)</b>	<b>(122)</b>
<b>Non-equity shareholders' funds</b>		
Non-equity shareholders' funds at 1 November 2005	834	834
Prior period adjustment – FRS 25	(834)	(834)
<b>Non-equity shareholders' funds at 31 October 2006</b>	<b>-</b>	<b>-</b>

### 12 Events after the balance sheet date

The holders of the preference shares waived the rights to any dividends after the balance sheet date. The impact of this waiver is that the liability in relation to the cumulative dividends has been cancelled.

On 2 April 2007, Lufthansa sold its 50% stake in joint venture Thomas Cook AG (the ultimate parent company of Thomas Cook Holidays Limited) to its joint venture partner KarstadtQuelle AG. Thomas Cook AG is now wholly owned by KarstadtQuelle AG.

On 19 June 2007, Thomas Cook AG merged with MyTravel Group plc. The newly formed company, named Thomas Cook Group plc, was listed on the London Stock Exchange on this date. KarstadtQuelle AG holds a 52% stake in the new company.

### 13 Ultimate holding company and ultimate controlling party

The company is a subsidiary of Thomas Cook Signature Limited, which is incorporated in England and Wales. Thomas Cook Group plc, incorporated in England and Wales, is regarded by the directors as the company's ultimate parent undertaking and ultimate controlling party.

The largest 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 Thomas Cook Group plc, The Thomas Cook Business Park, Coningsby Road, Peterborough, PE3 8SB.