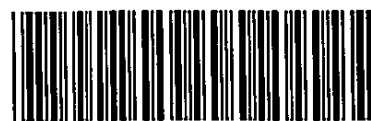


Thomas Cook Holidays Limited
Annual report and financial statements
For the year ended 30 September 2010

Registered Number 634534

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Thomas Cook Holidays Limited

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Thomas Cook Holidays Limited

Registered number 634534

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 2010.

Business review & principal activities

Thomas Cook Holidays 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 £784k (2009: nil) for the year. The company has net liabilities of £821k (2009: £37k).

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.

With the exception of the prior year preference dividend being waived during the year the Company has not traded during the year.

During the year, the investment in Time Off Limited was impaired due to the deterioration of the economic climate, this has resulted in an impairment recognised in the Statement of comprehensive income of £821k.

Financial risk management

The Company's risk management objectives and policies are not considered material for an assessment of the Company's assets, liabilities, financial position and result. The Company has no material exposure to price risk, credit risk, liquidity risk or cash flow risk.

Charitable and political donations

The Company made no charitable or political donations during the year (2009: nil).

Dividends

The directors do not recommend the payment of a dividend to equity shareholders (2009: nil). The dividend earned by non-equity shareholders in the year is £nil (2009: £37,000). The non-equity shareholders waived the right to any cumulative dividends prior to the year end, together with the right to any future dividends until further notice.

Directors

The directors, who served throughout the year, except as noted, were as follows:

D M W Hallisey (resigned 1 June 2011)

C J Gadsby (resigned 1 June 2011)

Thomas Cook Group Management Services Limited (appointed 8 February 2011)

M MacMahon (appointed 1 June 2011)

Company Secretary

S Bradley

Thomas Cook Holidays Limited

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Directors' report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 year. 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

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

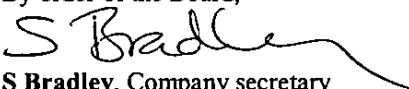
Provision of information to auditors

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

- (a) so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as 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

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

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

By order of the Board,

S Bradley, Company secretary
Date 10th June 2011

Thomas Cook Holidays Limited

Registered number 634534

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 30 September 2010 which comprise the Statement of comprehensive income, the Balance sheet, Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 4, 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 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.

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 2010 and of its loss for the year 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.



John Ellis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Date 6/6/11

Thomas Cook Holidays Limited

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Statement of comprehensive income Year ended 30 September 2010

	Note	2010 £'000	2009 £'000
Impairment charge	6	(821)	-
Finance income	3	37	-
Loss on ordinary operations before tax		(784)	-
Tax	5	-	-
Total comprehensive loss for the year		(784)	-

All of the results arose from continuing operations

The notes on pages 9 to 14 are an integral part of the financial statements

Thomas Cook Holidays Limited

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Balance sheet As of 30 September 2010

	Note	2010 £'000	2009 £'000
Non-current assets			
Investments in subsidiary undertakings	6	250	1,071
Current liabilities			
Trade and other payables	7	(1,071)	(1,108)
Net current liabilities		(1,071)	(1,108)
Net liabilities		(821)	(37)
Equity attributable to owners of the parent			
Called up share capital	8	50	50
Retained earnings		(871)	(87)
Total equity		(821)	(37)

The financial statements were approved by the board of directors and authorised for issue on 10th June 2011

They were signed on its behalf by



S Bradley
for and on behalf of Thomas Cook Group Management Service Limited
Director

Thomas Cook Holidays Limited

Registered number 634534

Statement of changes in equity As at 30 September 2010

	Issued share capital £'000	Profit and loss account £'000	Total £'000
Balance as at 31 October 2008	50	(87)	(37)
Net result for the year	-	-	-
Balance at 30 September 2009	50	(87)	(37)
Net loss for the year	-	(784)	(784)
Balance at 30 September 2010	50	(871)	(821)

Thomas Cook Holidays Limited

Registered number 634534

Notes to the financial statements **Year ended 30 September 2010**

1. General information

Thomas Cook Holidays Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of its registered office is The Thomas Cook Business Park, Comingsby Road, Peterborough, Cambridgeshire, PE3 8SB. The nature of the Company's operation 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 England and Wales, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and filed with the registrar of Companies. The Company is therefore exempt from the obligation to prepare consolidated financial statements in accordance with section 400 of the Companies Act 2006.

In the current year, the following new or amended standards have been adopted and have affected the amounts reported or the disclosure and presentation in these financial statements:

IAS 1 (Revised) 'Presentation of Financial Statements' is effective for annual reporting periods commencing on or after 1 January 2009. The amendments require a number of presentational changes, including the introduction of a statement of comprehensive income and the requirement to present a statement of changes in equity as a primary statement. The statement of comprehensive income represents all items of recognised income and expense in either one statement or two linked statements. Management has elected to present one statement.

In the current year, the following new or amended standards and interpretations have also 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.

IFRS 7 (Amendment) 'Financial instruments: disclosure' is effective for annual reporting periods commencing on or after 1 July 2009. The amendment requires enhanced disclosure for fair value and measurement risk.

IAS 32 (Amendment) 'Financial instruments: presentation' is effective for annual reporting periods commencing on or after 1 January 2009. The amendment clarifies the treatment of puttable financial instruments, whereby puttable instruments meeting certain criteria are treated as equity as opposed to financial liabilities.

At the date of authorisation of these financial statements, the following Standards and interpretations that are expected to impact on the Company but which have not been applied in these financial statements were in issue but not yet effective:

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.

IAS 32 (Amendment) 'Classification of rights' is effective for annual periods commencing on or after 1 February 2010. The amendment clarifies the treatment of rights, options or warrants issued to acquire a fixed number of an entity's own equity instruments for a fixed amount of consideration.

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

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 is not allowed to recognise an asset for the prepayment of a minimum funding agreement.

The Directors anticipate that the company will adopt these standards and interpretations on their effective dates.

Thomas Cook Holidays Limited

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Notes to the financial statements Year ended 30 September 2010

2 Significant accounting policies

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

Basis of accounting

These financial statements have been prepared in accordance with IFRSs as adopted by the EU, International Financial Reporting Interpretations Committee (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 Thomas Cook Holidays Limited have prepared these financial statements on a going concern basis.

Subsidiary undertakings

Investments in subsidiary undertakings are accounted for at cost less provision for impairment.

Statement of comprehensive income presentation

Profit or loss from operations includes the results from operating activities of the Company. It is stated before the results of investing activities such as the disposal of subsidiaries or joint ventures and the disposal of items of property, plant and equipment.

Cash flow statement

There have been no transactions during the current and prior years. As a result, movement in cash in both years is nil and so no Cash flow statement has been presented.

Financial instruments

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

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Critical judgments and key sources of estimation uncertainty

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

Thomas Cook Holidays Limited

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Notes to the financial statements Year ended 30 September 2010

3. Finance income

	2010 £'000	2009 £'000
Preference share dividend due nil pence (2009 4 4 pence) per share	-	(37)
Waived preference share dividend for the prior year	37	37
	<u>37</u>	<u>-</u>

The holders of the preference shares waived the rights to any cumulative dividends due to them for the year ended 30 September 2009. Prior to the year end the preference shareholders waived rights to a current year dividend together with any future rights dividends until further notice.

4. Auditors' remuneration

Auditors' remuneration is paid for centrally and is included within the statutory accounts of Thomas Cook Retail Limited. No audit fees or non-audit fees were paid directly by the Company.

5. Tax

	2010 £'000	2009 £'000
Current tax		
UK corporation tax credit for the year	-	-

Corporation tax is calculated at 28% (2009 28%) of the estimated assessable loss for the year.

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

	2010 £'000	2009 £'000
Current Tax		
Result on ordinary activities before taxation	(784)	-
Result on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	(220)	-
Effects of Expenses not deductible for tax purposes	220	-
Total current tax	<u>-</u>	<u>-</u>

A number of changes to the UK corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010 included legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011.

Thomas Cook Holidays Limited

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Notes to the financial statements Year ended 30 September 2010

5. Tax (continued)

The proposed reductions of the main rate of corporation tax in the UK by 1% per year to 24% by 1 April 2014 are expected to be enacted separately each year. The changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements.

6. Investments in subsidiary undertakings

	£'000
Cost	
At 30 September 2009	1,071
Impairment charge	(821)
At 30 September 2010	250

	2010 £'000	2009 £'000
Investments in subsidiary undertakings		
Cost		
Time Off Limited	-	821
A A H (1997) Limited	250	250
	250	1,071

During the year, the investment in Time Off Limited was impaired due to the deterioration of the economic climate, this has resulted in an impairment recognised in the Statement of comprehensive income of £821k.

Name of undertaking	Description of shares held	Proportion of nominal value shares held by the group %	Principal 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 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.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Thomas Cook Holidays Limited

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Notes to the financial statements Year ended 30 September 2010

7. Trade and other payables

	2010 £'000	2009 £'000
Amount due to Group undertakings	237	237
Redeemable preference shares of £1 each	834	834
Cumulative dividend arrears on preference shares	-	37
	<u>1,071</u>	<u>1,108</u>

The preference shares do not carry any voting rights and were issued at par. The holders of the redeemable preference shares have waived their right to future dividends. 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.

8. Called up share capital

	2010 £'000	2009 £'000
Authorised		
50,000 Ordinary shares of £1 each	50	50
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50</u>	<u>50</u>

9 Related party transactions

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

Trading transactions	Amounts owed by related parties		Amounts owed to related parties	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Parent and fellow subsidiary undertakings	-	-	(1,071)	(1,108)

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.

Thomas Cook Holidays Limited

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Notes to the financial statements **Year ended 30 September 2010**

10. Ultimate controlling party

The Company is a subsidiary of Thomas Cook Scheduled Tour Operations Limited which is incorporated in England and Wales

Thomas Cook Group plc, incorporated in England and Wales, is the Company's ultimate parent company

The smallest and 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 6th Floor South, Brettenham House, Lancaster Place, London, WC2E 7EN

11. Events after the balance sheet date

There are no events that have occurred after the balance sheet date that will affect the future of Thomas Cook Holidays Limited