

Flying Colours Leisure Group Limited
Annual report
for the period ended 30 September 2008

Registered number 3124442

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Flying Colours Leisure Group Limited

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Flying Colours Leisure Group Limited

Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements. Since the publication of the last annual report, the accounting period of the company has been changed from 31 October to 30 September. This annual report covers the 11 month period ended 30 September 2008. The company has adopted International Financial Reporting Standards ('IFRS') for the first time this year.

Business review and principal activity

The company is dormant and has not traded during the period and there are no plans to commence trading activities in the foreseeable future.

Directors

The directors who served throughout the period were as follows:

C J Gadsby
D M W Hallisey

Company Secretary

D M W Hallisey

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 the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 that the financial statements comply with IFRSs as adopted by the European Union
- 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

For the period ended 30 September 2008 the company was entitled to the exemption under section 249AA(1) of the Companies Act 1985. Members have not required the company to obtain an audit in accordance with section 249(B)(2) of the Companies Act 1985.

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

By order of the Board,


D M W Hallisey, Company Secretary
5th June 2009

Flying Colours Leisure Group Limited

Balance Sheet

As at 30 September 2008

	Note	30 September 2008 £'000	31 October 2007 £'000
Non-current assets			
Investments in subsidiary undertakings	3	2,290	2,290
		2,290	2,290
Current assets			
Trade and other receivables	4	65,029	65,029
Total assets		67,319	67,319
Current liabilities			
Trade and other payables	5	(9,527)	9,527
Net assets		57,792	57,792
Equity			
Called up share capital	6	8,376	8,376
Share premium	7	39,643	39,643
Retained earnings	7	9,773	9,773
Equity attributable to equity holders of the parent	7	57,792	57,792
Equity may be analysed as:			
Equity interests		9,802	9,802
Non equity interests		47,990	47,990
		57,792	57,792

For the period ended 30 September 2008 the company was entitled to exemption under section 249AA (1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B (2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (1) ensuring the company keeps accounting records which comply with section 221, and
- (2) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period, and of its profit and loss for the financial period, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the board of directors and authorised for issue on 5th June 2009. They were signed on its behalf by:



D M W Hallisey
Director

Flying Colours Leisure Group Limited

Notes to the financial statements

Period ended 30 September 2008

1 General Information

Flying Colours Leisure Group Limited is a company incorporated in Great Britain under the Companies Act 1985. The address of its registered office is The Thomas Cook Business Park, Coningsby Road, Peterborough, 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 because that is the currency of the primary economic environment in which the company operates. The company is a wholly-owned subsidiary company and is included within the audited consolidated financial statements of Thomas Cook Group plc, a company incorporated in Great Britain which have been prepared in accordance with International Financial Reporting Standards 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 228 of the Companies Act 1985.

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 1 (Revised) 'Presentation of financial statements', revised version issued in January 2008, effective for annual periods beginning on or after 1 January 2009. This changes the presentation requirements for other comprehensive income and transactions with shareholders, and requires increased disclosures when there is a restatement of comparatives. Adopting this standard will not affect the recognition, measurement or disclosure of any transactions or events.

IAS 23 (Amendment) 'Borrowing costs', revised version issued in March 2007, effective for annual periods beginning on or after 1 January 2009. This eliminates the option of expensing all borrowing costs when they are incurred and is not expected to have a material impact on the company.

IAS 32 (Amendment) 'Financial instruments: Presentation', issued in February 2008, effective for annual periods beginning on or after 1 January 2009. This clarifies the treatment of puttable financial instruments. The adoption of this amendment is not expected to have a material impact on the company.

IAS 27 (Revised) 'Consolidated and separate financial statements', issued January 2008, effective for annual periods beginning on or after 1 July 2009. This will require a different accounting treatment for minority interest but it is not expected to affect the company's financial results or position materially.

IFRS 2 (Amendment) 'Share based payments', issued January 2008, effective for annual periods beginning on or after 1 January 2009. This provides a definition of vesting conditions and specifies the accounting treatment for non-vesting conditions. The adoption of this amendment is not expected to have a material impact on the company.

IFRS 3 (Revised) 'Business combinations', issued January 2008, effective for annual periods beginning on or after 1 July 2009. This will significantly change the recognition of goodwill, acquisition costs and contingent consideration relating to acquisitions. The adoption of this amendment is not expected to have a material impact on the company.

IFRS 8 'Operating segments', issued in November 2006, effective for periods beginning on or after 1 January 2009. This may change the way in which we report operating segments. As the company is not quoted, it is not in scope of IFRS 8, and any such changes would be voluntary.

IFRIC 12 'Service concession arrangements', issued in December 2006, effective for annual periods beginning on or after 1 January 2008. The adoption of this amendment is not expected to have a material impact on the company.

IFRIC 13 'Customer loyalty programmes', issued in June 2007, effective for annual periods beginning on or after 1 July 2008. The adoption of this amendment is not expected to have a material impact on the company.

Flying Colours Leisure Group Limited

Notes to the financial statements Period ended 30 September 2008

1 General Information (continued)

IFRIC 14 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction', issued in July 2007, effective for annual periods beginning on or after 1 Jan 2008. The adoption of this amendment is not expected to have a material impact on the company.

IFRIC 16 'Hedges of a net investment in a foreign operation', issued in July 2007, effective for annual periods beginning on or after 1 October 2008. The adoption of this amendment is not expected to have a material impact on the company.

IFRIC 17 'Distributions of Non-cash Assets to Owners', Issued in November 2008, effective for annual periods beginning on or after 1 July 2009. A detailed review of the impact of this interpretation is currently in progress.

IFRIC 18 'Transfers of Assets from Customers', Issued in January 2009, effective for transfers of assets from customers received on or after 1 July 2009. A detailed review of the impact of this interpretation is currently in progress.

The company will also perform a detailed review of the annual improvements project published by the International Accounting Standards Board in May 2008.

The directors anticipate the adoption of these standards and interpretations will have no material impact on the financial statements. The directors anticipate that the company will adopt these standards and interpretations on their effective dates.

2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to the periods presented and to the opening balance sheet prepared as at 1 November 2006, the company's date of transition to IFRS (see below) unless otherwise stated.

Adoption of International Financial Reporting and Accounting Standards (IFRSs) as adopted by the EU

This is the first set of financial statements prepared in accordance with IFRSs adopted for use in the European Union. The company's financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) until 31 October 2007. UK GAAP differs in some areas from IFRS.

The adoption of IFRS in these financial statements has not given rise to any change in the net assets or the net profit for the company as previously stated under UK GAAP, and as such no reconciliations of net assets or net profit have been presented.

The adoption of IFRS has given rise to a number of additional disclosures in these financial statements, including comparatives for 2007. The most significant additional disclosures are the inclusion of a cash flow statement, where necessary, in accordance with IAS 7, "Cash flow statements" and the presentation of certain disclosures relating to financial instruments in accordance with IFRS 7, "Financial instruments: Disclosures".

First-time adoption of IFRS

For the period ended 30 September 2008 the company has applied the principles set out in IFRS 1 – First-time adoption of International Financial Reporting Standards, which has been applied in preparing these financial statements.

IFRS 1 sets out the procedures that must be followed when adopting IFRS for the first time. The company is required to establish its IFRS accounting policies and, in general, apply these retrospectively to determine the IFRS opening balance sheet at the date of transition, 1 November 2006. IFRS 1 provides a number of optional exemptions to this general principle, none of these exemptions are relevant to the company's adoption of IFRS.

Flying Colours Leisure Group Limited

Notes to the financial statements

Period ended 30 September 2008

2 Significant accounting policies (continued)

Basis of accounting

These financial statements have been prepared in accordance with IFRSs as adopted by the EU, those International Financial Reporting Interpretations Committee (IFRIC) interpretations that are relevant to its operations and effective for accounting periods beginning on 1 November 2007, and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis.

During the period, the company's accounting reference date was changed to 30 September.

The company has no cash transactions. All transactions are settled by a fellow subsidiary, and as such, no cash flow statement has been produced.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below:

Income statement presentation

As the company has not traded during the period, an income statement has not been prepared.

Financial instruments

Given the simple nature of the company's 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.

Critical judgements and key sources of estimation uncertainty

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

Flying Colours Leisure Group Limited

Notes to the financial statements Period ended 30 September 2008

3 Investments in subsidiary undertakings

	Shares in group undertakings £'000
Cost	
At 1 November 2007 and 30 September 2008	2,290

Flying Colours Leisure Group Limited has an interest in the following subsidiary undertakings. In order to avoid a statement of excessive length, details concerning investments, which are not significant, have been omitted.

Name of subsidiary	Country of incorporation	Principal activity	Direct interest in equity Capital %
Flying Colours Aviation Limited	England and Wales	Dormant	100
Flying Colours Holidays Limited	England and Wales	Dormant	100
Flying Colours Trustees Limited	England and Wales	Dormant	100
Sunset Development Limited	England and Wales	Dormant	100
Sunset Holidays plc	England and Wales	Dormant	5

4 Trade and other receivables

	30 September 2008 £'000	31 October 2007 £'000
Amounts due from parent undertakings	64,902	64,902
Other receivables	127	127
Total	65,029	65,029

All of the above financial assets are categorised as loans and receivables for the purposes of IFRS 7, "Financial instruments: Disclosures". The directors consider that the carrying amount of other receivables approximates their fair value.

Credit quality of financial assets

The company's only financial assets are other receivables, and as such the company's credit risk is attributable to these other receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. No impairments have been made against these financial assets, and none of these assets are overdue.

These receivables are not subject to restrictions on title and no collateral is held as security. All these financial assets are denominated in pound sterling.

5 Trade and other payables

	30 September 2008 £'000	31 October 2007 £'000
Amounts owed to parent undertakings	9,527	9,527

All of the above financial liabilities are categorised as financial liabilities at amortised cost for the purposes of IFRS 7, "Financial instruments: Disclosures". The directors consider that the carrying amount of other payables approximates their fair value.

Flying Colours Leisure Group Limited

Notes to the financial statements Period ended 30 September 2008

6 Called up share capital

	30 September 2008 £'000	31 October 2007 £'000
Authorised:		
4,000,000 cumulative redeemable 'AA' preference shares of £0.10 each	400	400
6,371,429 redeemable 'A' preference shares of £0.10 each	637	637
7,151,923 redeemable 'C' preference shares of £0.10 each	715	715
170,000 redeemable 'D' preference shares of £0.01 each	2	2
714,872,263 deferred shares of £0.01 each	7,149	7,149
10,000 new ordinary shares of £1 each	10	10
Total	8,913	8,913
Allotted, issued and fully paid:		
4,000,000 cumulative redeemable 'AA' preference shares of £0.10 each	400	400
6,371,429 redeemable 'A' preference shares of £0.10 each	637	637
7,151,923 redeemable 'C' preference shares of £0.10 each	715	715
130,333 redeemable 'D' preference shares of £0.01 each	1	1
661,251,966 deferred shares of £0.01 each	6,613	6,613
9,650 new ordinary shares of £1 each	10	10
Total	8,376	8,376

No dividends are payable on any shares other than the 9,650 new ordinary shares of £1 each.

The cumulative redeemable 'AA' preference shares, the redeemable 'A' preference shares and the redeemable 'C' preference shares are redeemable at £1 per share on 30 June 2015.

On realisation (as defined in the Articles), or a winding up, the cumulative redeemable 'AA' preference shares rank ahead of all other classes of share. Thereafter the redeemable 'A' preference shares, the redeemable 'C' preference shares and the redeemable 'D' preference shares rank in specified proportions, depending on the realisation or winding up proceeds.

The redeemable 'A' preference shares and the redeemable 'C' preference shares have voting rights in all circumstances. In certain limited circumstances where the Additional Capital Procedure (as defined in the Articles) is being followed the cumulative redeemable 'AA' preference shares have voting rights. In certain other limited circumstances where an alteration of class right is involved, the redeemable 'D' preference shares and the deferred shares have voting rights.

7 Statement of changes in shareholders' equity

	Share Capital £'000	Share Premium £'000	Retained earnings £'000	Shareholders' equity £'000
Balance as at 1 November 2006	8,376	39,643	9,773	57,792
Net profit for the period	-	-	-	-
Balance at 31 October 2007	8,376	39,643	9,773	57,792
Net profit for the period	-	-	-	-
Balance at 30 September 2008	8,376	39,643	9,773	57,792

Flying Colours Leisure Group Limited

Notes to the financial statements Period ended 30 September 2008

8 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	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Parent and fellow subsidiary undertakings	64,902	64,902	(9,527)	(9,527)

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.

9 Ultimate controlling party

The company is a subsidiary of Tourmajor Limited, which is incorporated in England and Wales. Arcandor AG, incorporated in Germany, is regarded by the directors as the company's ultimate parent undertaking and ultimate controlling party.

The smallest group in which the results of the company are consolidated is that of which Thomas Cook Group plc is the parent company. The consolidated accounts of Thomas Cook Group plc may be obtained from Thomas Cook Group plc, The Thomas Cook Business Park, Coningsby Road, Peterborough, PE3 8SB.

10 Explanation of transition to IFRS

This is the first year that the company has presented its financial statements under IFRS. No disclosures are required in the period of transition. The latest financial statements under UK GAAP were for the year ended 31 October 2007 and the date of transition to IFRS was therefore 1 November 2006.

11 Post balance sheet events

There are no events that have occurred after the balance sheet date that will affect the future of Flying Colours Leisure Group Limited.