

Thomas Cook Scheduled Tour Operations Limited
Annual report
for the year ended 30 September 2013

Registered number 960252



Thomas Cook Scheduled Tour Operations Limited

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Thomas Cook Scheduled Tour Operations Limited

Strategic report

The directors present their Strategic report on the affairs of the Company, together with the audited financial statements. This annual report covers the year ended 30 September 2013.

Business review and principal activities

Thomas Cook Scheduled Tour Operations Limited is a wholly owned subsidiary of Thomas Cook Group plc, ('the Group') a company that is listed on the London Stock Exchange. 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.

Thomas Cook Scheduled Tour Operations is managed internally as part of the Independent Travel segment of the UK business, this segment promotes the growth of specialist and dynamic packaging brands and is operationally different to the traditional mass market operator. The Scheduled Tour Operator splits business between long haul (Thomas Cook Signature) and short haul (Cresta) brands and utilises 3rd party scheduled carriers as opposed to charter flights. They also procure accommodation as required rather than entering into deposit or guarantee related contracts.

The results for the Company show a pre tax loss before exceptional charges of £1.1m (2012: loss of £1.8m) for the year and sales of £130.4m (2012: £145.8m). Revenue has reduced during the trading period as a result of Thomas Cook brand damage and the downturn in the general economic climate. There are £3.0m exceptional charges in the period ended 30 September 2013 (2012: £nil). These exceptional are in relation to restructuring, redundancy, IT costs and costs associated with changing suppliers for key back office processes.

The Company has net liabilities of £36.1m (2012: £33.2m). As the Company is in a net liability position, it will be receiving support from a fellow group undertaking, as further explain on page 4 of the Directors' report.

Business environment

There are two distinct segments in the UK leisure and travel market: direct suppliers and travel intermediaries. Direct suppliers are the airlines, hotels and cruise companies that sell directly to the customer. Thomas Cook, through its subsidiary companies, operates in the travel intermediary segment, made up of travel agents and tour operators.

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

Strategy and future outlook

Growth in international tourism is closely correlated to economic growth and has enjoyed strong and sustained growth for most of the last three decades. Despite a backdrop of subdued economic growth, demand for international leisure travel has remained reasonably strong as consumer spending has held up and unemployment in key source markets has remained stable.

In most of the Group's operating segments, retail stores remain a significant distribution channel for mainstream package holidays. However, over time, the Group's strategy is to increase the share of mainstream package holidays sold online. Thomas Cook and former retail outlets of The Co-operatives have continued their programme to integrate their high street networks to create the UK's largest high street travel retailer.

Financial Risk Management

The Company's operations expose it to a variety of financial risks, including the effects of changes in currency exchange rates, credit exposure, liquidity and interest rates. The directors manage these risks in accordance with policies that have been agreed with Thomas Cook Group plc.

The main risks arising from the Company's financial instruments can be analysed as follows:

Currency risk

The Company is exposed in its trading operations to the risk of changes in currency exchange rates. Appropriate forward contracts are used to hedge this exposure.

Thomas Cook Scheduled Tour Operations Limited

Strategic report (continued)

Financial Risk Management (continued)

Credit Risk

The Company's principal financial assets are cash and bank balances, trade and other receivables and amounts due from other Group undertakings 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 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 movements in connection with the cost of servicing its short-term borrowings and the returns on its liquid assets. The risks associated with this are managed at a Group level in conjunction with the liquidity risk.

Principal risks and uncertainties

The Directors of Thomas Cook Group Plc have identified a number of principal risks and uncertainties that could potentially damage the current business model and future growth opportunities:

- Continued downturn in demand due to adverse global economic factors
- Recruitment, development and retention of talented people
- Geo-political and regulatory
- Failure of the Transformation plan to deliver against strategic and operational targets
- Failure to respond to customer demand, or other significant market changes
- Major health and safety incident
- Failure of IT infrastructure or internal control failure
- Shortfall in pension funding

For further information on the potential impact of these risks, and the procedures implemented by the Group to mitigate these risks, please refer to pages 30-31 of the Group's annual report.

Key performance indicators ("KPI's")

The directors of Thomas Cook Group plc manage the Group's operations on a segmental basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Thomas Cook Scheduled Tour Operations Limited. The development, performance and position of the UK segment of the Group, which include the results of the Company, are discussed in the operating review on page 42 of the Group's annual report which does not form part of this report.

The Strategic report has been approved and is signed on behalf of the board by

N Arthur
Director

25 February 2014

Registered office

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

Thomas Cook Scheduled Tour Operations Limited

Directors' report

The directors present their Directors' report on the affairs of the Company, together with the audited financial statements. This annual report covers the year ended 30 September 2013.

Dividends

The directors do not recommend the payment of a dividend in respect of the year to 30 September 2013 (2012 – £nil).

Directors

The directors who served during the period up to the date of signing, except where indicated, were as follows:

D M Taylor (appointed 12 February 2013, resigned 21 February 2013)

P J Aird-Mash (resigned 12 February 2013)

M L MacMahon (resigned 12 February 2013)

N Arthur (appointed 21 February 2013)

U Sperl (appointed 21 February 2013)

Thomas Cook Group Management Services Limited

Company secretary

Shirley Bradley

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors, which were made during the year and remain in force at the date of this report. In accordance with its Articles, the Company has granted a qualifying third party indemnity, to the extent permitted by law, to each Director. The Company also maintains Directors' and Officers' liability insurance.

Equal opportunities

The Company is committed to employment policies, which follow best practice and do not tolerate any form of discrimination. The Company is committed to treating people fairly and ensuring that our employment policies are free from any form of unlawful discrimination against any employee on the grounds of sex, gender reassignment, sexual orientation, pregnancy, race, colour, nationality, ethnic or national origin, religion or belief, age and disability.

Employee involvement

The Company is also committed to providing employees with information on matters of concern to them on a regular basis, so that the views of employees can be taken into account when making decisions that are likely to affect their interests. In the year the Company has held regular briefing meetings, supplemented by a range of staff magazines to encourage the involvement of employees. Surveys are held regularly as a means of measuring the effectiveness of the ways in which staff are managed.

Going concern

The Company is reliant on the support of the fellow group undertaking Thomas Cook Investments (2). This support has been formally provided and accordingly the directors of Thomas Cook Scheduled Tour Operations Limited have prepared these financial statements on a going concern basis.

Strategy and future outlook

For the future developments of the company please refer to the Strategic report.

Thomas Cook Scheduled Tour Operations Limited

Directors' report (continued)

Provision of information to auditors

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

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

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements,
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements, and
- 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

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to be re-appointed as auditors of the Company. A resolution will be proposed at the next Annual General Meeting to re-appoint PricewaterhouseCoopers LLP as auditors of the Company.

The Directors' report has been approved and is signed on behalf of the board by

N Arthur
Director



25 February 2014

Registered office

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

Thomas Cook Scheduled Tour Operations Limited

Independent auditors' report to the members of Thomas Cook Scheduled Tour Operations Limited

Our opinion

In our opinion the financial statements

- Give a true and fair view of the state of the Company's affairs as at 30 September and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

This opinion is to be read in the context of what we say below

What we have audited

The financial statements for the year ended 30 September 2013, which are prepared by Thomas Cook Scheduled Tour Operations limited, comprise

- the statement of comprehensive income,
- balance sheet,
- statement of changes in equity and,
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework"

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the *Annual Report* to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Thomas Cook Scheduled Tour Operations Limited

Independent auditors' report to the members of Thomas Cook Scheduled Tour Operations Limited (continued)

Opinion on matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Other matters on which we are required to report by exception

Adequacy of accounting records and information received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & 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



John Ellis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 February 2014

Thomas Cook Scheduled Tour Operations Limited

Statement of comprehensive income Year ended 30 September 2013

	Notes	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
Revenue	3	130,414	145,815
Cost of sales		(117,096)	(136,901)
Gross profit		13,318	8,914
Operating expenses	5	(14,151)	(10,077)
Operating expenses - exceptional items	11	(2,992)	-
Other losses	6	(293)	(673)
Loss from operations		(4,118)	(1,836)
Analysed between			
Loss from operations before exceptional items		(1,126)	(1,836)
Exceptional items	11	(2,992)	-
		(4,118)	(1,836)
Interest receivable and similar income	7	491	389
Interest payable and similar charges	8	(364)	(280)
Loss on ordinary activities before taxation	9	(3,991)	(1,727)
Income tax credit/(charge)	12	1,346	(9,273)
Loss for the year		(2,645)	(11,000)
Other comprehensive income			
Actuarial losses on defined benefit pension plan	23	(59)	(270)
Deferred tax on actuarial loss in relation to UK pension fund deficit		(164)	45
Other comprehensive loss for the year, net of tax		(223)	(225)
Total comprehensive loss for the year		(2,868)	(11,225)

All revenues and results arose from continuing operations

None of the items going through Other comprehensive income are expected to reverse through profit and loss

Thomas Cook Scheduled Tour Operations Limited

Registered number 960252

Balance sheet

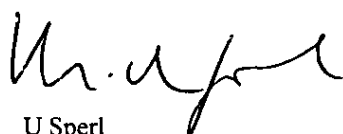
As at 30 September 2013


	Notes	30 September 2013 £'000	30 September 2012 £'000
Current assets			
Deferred tax asset	19	1,223	41
Inventories	14	105	147
Trade and other receivables	15	34,291	39,052
Derivative financial instruments	26	-	11
Cash and cash equivalents	16	45,118	27,752
		<u>80,737</u>	<u>66,962</u>
Total assets		<u>80,737</u>	<u>67,003</u>
Current liabilities			
Trade and other payables	18	(94,348)	(73,623)
Revenue received in advance		(21,732)	(25,998)
Derivative financial instruments	26	(718)	(436)
		<u>(116,798)</u>	<u>(100,057)</u>
Net current liabilities		<u>(36,061)</u>	<u>(33,095)</u>
Non-current liabilities			
Pension liability	23	(43)	(182)
Total liabilities		<u>(116,841)</u>	<u>(100,239)</u>
Net liabilities		<u>(36,104)</u>	<u>(33,236)</u>
Equity attributable to owners of the parent			
Share capital	20	100	100
Retained deficit		(36,204)	(33,336)
Total shareholders' deficit		<u>(36,104)</u>	<u>(33,236)</u>

The notes on pages 11 to 29 form part of these financial statements

The financial statements were approved by the board of directors and approved for issue on 25 February 2014

Signed on behalf of the board


U Sperl
Director


N Arthur
Director

Thomas Cook Scheduled Tour Operations Limited

Statement of changes in equity Year ended 30 September 2013

	Issued share capital £'000	Retained earnings £'000	Total £'000
At 30 September 2012 and at 1 October 2012	100	(33,336)	(33,236)
Loss for the year	-	(2,645)	(2,645)
Actuarial loss in relation to UK pension fund deficit	-	(59)	(59)
Deferred tax on actuarial loss in relation to UK pension fund deficit	-	(164)	(164)
Total comprehensive loss for the year	-	(2,868)	(2,868)
At 30 September 2013	100	(36,204)	(36,104)

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

1 General information

Thomas Cook Scheduled Tour Operations Limited is a limited liability company incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office is The Thomas Cook Business Park, Coningsby Road, Peterborough, PE3 8SB. The nature of the Company's operations and its principal activities are set out in the Directors' report. These financial statements are presented in pounds sterling, which is the Company's functional currency, because that is the currency of the primary economic environment in which the Company operates. The Company is a wholly-owned subsidiary company and is included within the audited consolidated financial statements of Thomas Cook Group plc, a company incorporated in 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.

2 Significant accounting policies

Basis of preparation

These are the first financial statements of the Company prepared in accordance with FRS 101. The company has elected to early adopt FRS 101. The Company's date of transition to FRS 101 is 1 October 2011. The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the company in these financial statements.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 30 September 2013 the company has undergone transition from reporting under IFRSs adopted by the European Union to FRS 101 as issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council and with those parts of the Companies Act 2006 applicable to Companies reporting under FRS 101. This transition is not considered to have had a material effect on accounting policies applied in these financial statements, which are consistent with the previous financial year except for those which the Company has adopted in the year.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group financial statements of Thomas Cook Group plc. The group financial statements of Thomas Cook Group plc are available to the public and can be obtained as set out in note 26.

The financial statements have been prepared under the historical cost convention except for the revaluation of derivative financial instruments and where the true and fair override provisions of the Companies Act 2006 have been invoked, as described in "Intangible Assets" policy below. The principal accounting policies adopted are set out below.

The Company is reliant on the support of the fellow group undertaking Thomas Cook Investments (2) Limited. This support has been formally provided and accordingly the directors of Thomas Cook Scheduled Tour Operators have prepared these financial statements on a going concern basis.

Adoption of new or amended standards and interpretations in the current

In the current year, the following new or amended standards have been adopted. Their adoption has not had a significant impact on the amounts reported or the disclosure and presentation in these financial statements, but may impact the accounting or the disclosure and presentation for future transactions and arrangements.

IAS 1 Amendment "Presentation of Items of Other Comprehensive Income" is effective for annual reporting periods commencing on or after 1 July 2012. The amendment requires disclosure of items that may be reclassified to profit or loss and items that will not be reclassified to profit or loss.

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

2 Significant accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost represents purchase price calculated on a first-in, first-out basis. Net realisable value represents the estimated selling price less all costs to be incurred in marketing, selling and distribution. Provision for impairment is made, where necessary, for slow moving, obsolete and defective stock.

Revenue recognition and associated costs

Revenue represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities after deductions of trade discounts and value added tax are recognised on holiday departure. Revenue relating to travel agency commission on third party leisure travel products is recognised when earned, which is on receipt of the full payment from the customer. Other revenue and associated expenses are recognised as earned or incurred.

Statement of comprehensive income presentation and exceptional items

Profit or loss from operations includes the results from operating activities of the Company, before its share of the results of associates and joint ventures.

The Company separately discloses in the income statement exceptional items, amortisation of business combination intangibles, and IAS 39 fair value re-measurement.

Exceptional items, namely items that are material either because of their size or their nature, and which are non-recurring, are presented within their relevant income statement category, but highlighted through separate disclosure. The separate reporting of exceptional items helps provide a full understanding of the Company's underlying performance.

Items which are included within the exceptional category include

- profits/(losses) on disposal of assets or businesses and costs of acquisitions,
- costs of integration of significant acquisitions and other major restructuring programmes,
- significant goodwill or other asset impairments,
- material write-down of assets/reassessment of accruals, reflecting a more cautious evaluation in the light of current trading and economic conditions (excluding errors or prior year items),
- other individually material items that are unusual because of their size, nature or incidence.

Tax

Tax represents the sum of tax currently payable and deferred tax. Tax is recognised in the Statement of comprehensive income unless it relates to an item recognised directly in equity, in which case the associated tax is also recognised directly in equity.

Tax currently payable is provided on taxable profits based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Provision is made for deferred tax so as to recognise all temporary differences which have originated but not reversed at the balance sheet date that result in an obligation to pay more tax, or a right to pay less tax, in the future, except as set out below. This is calculated on a non-discounted basis by reference to the average tax rates that are expected to apply in the relevant jurisdictions and for the periods in which the temporary differences are expected to reverse.

Deferred tax assets are assessed at each balance sheet date and are only recognised to the extent that their recovery against future taxable profits is probable.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

2 Significant accounting policies (continued)

Pensions

Pension costs charged against profits in respect of the Company's defined contribution scheme represent the amount of the contributions payable to the schemes in respect of the accounting period

The Company also operates a defined benefit scheme. The pension liability recognised on the balance in respect of this scheme represents the difference between the present value of the Company's obligations (calculated using the projected unit credit method) under the scheme and the fair value of the scheme's assets. Actuarial gains or losses are recognised in the period in which they arise within other comprehensive income. Other movements in the pension liability are recognised in the Statement of comprehensive income. Past service costs are recognised immediately in the Statement of comprehensive income.

Foreign currency

Transactions in currencies other than the functional currency of the Company are translated at the exchange rate at the date of the transaction. Foreign currency monetary assets and liabilities held at the year end are translated at year end exchange rates. The resulting exchange gain or loss is recognised in the Statement of comprehensive income.

Leases

Operating lease rentals are charged to the Statement of comprehensive income on a straight-line basis over the lease term.

Revenue in advance

Customer monies received at the balance sheet date relating to holidays commencing and flights departing after the year end is deferred and classified as revenue in advance.

Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Company transfers the financial asset or when the contractual rights expire. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires. The measurement of particular financial assets or liabilities is set out below.

Derivative financial instruments

Derivatives are recognised at their fair value. When a derivative does not qualify for hedge accounting as a cash flow hedge, changes in fair value are recognised immediately in the Statement of comprehensive income. When a derivative qualifies for hedge accounting as a cash flow hedge, changes in the fair value that are deemed to be an effective hedge are recognised directly in the hedging reserve. Any ineffective portion of the change in fair value is recognised immediately in the Statement of comprehensive income.

The Company does not designate any of its derivative financial instruments as cash flow hedges and hence takes all changes in fair value through the Statement of comprehensive income.

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

2 Significant accounting policies (continued)

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 Statement of comprehensive income within 'selling and marketing costs'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'operating costs' in the Statement of comprehensive income.

Trade and other payables

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

Borrowings

Interest bearing borrowings are initially recognised at their fair value net of any directly attributable transaction costs. They are subsequently recorded at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced to those affected by it. Future operating costs are not provided for. In accordance with the Company's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognised when the land is contaminated.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Share based payments

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

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

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

2 Significant accounting policies (continued)

Share capital

Ordinary shares are classified as equity

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

Critical judgments in applying the Company's accounting policies

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

Recoverable amounts of deposits and prepayments

Judgments have been made in respect of the volumes of future trading with hoteliers and the credit-worthiness of those hoteliers in order to assess the recoverable amounts of deposits and prepayments made to those hoteliers

Key sources of estimation uncertainty

The provision made in respect of supplier debit balances has been calculated on an estimation of the likely recovery of aged debt outstanding, and through evaluation of continued trading with the hotelier concerned

3 Revenue

An analysis of the Company's revenue is as follows

	2013 £'000	2012 £'000
Sales of leisure travel services	130,414	145,815

Revenue represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities after deductions of trade discounts and value added tax. The revenue is attributable to the Company's principal activity as a tour operator.

4 Business and geographical segments

The Company has only one principal activity, which is the supply of Tour Operations scheduled services. All results relate to this activity and originate in the United Kingdom.

5 Operating expenses

	2013 £'000	2012 £'000
Administrative expenses	14,151	10,077

6 Other losses

	2013 £'000	2012 £'000
Movements in the fair value of foreign exchange forward contracts	(293)	(673)

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

7 Interest receivable and similar income

	2013 £'000	2012 £'000
Bank interest receivable	404	294
Expected return on pension scheme assets (note 23)	87	95
	<u>491</u>	<u>389</u>

8 Interest payable and similar charges

	2013 £'000	2012 £'000
Interest payable to other group undertakings	(218)	(127)
Pension liability interest (note 23)	(146)	(149)
	<u>(364)</u>	<u>(280)</u>

9 Loss on ordinary activities before taxation

	2013 £'000	2012 £'000
Loss on ordinary activities before taxation has been arrived at after charging/(crediting)		
Net foreign exchange (gains)/losses	(2,087)	(1,867)
Staff costs (see note 10)	6,785	5,322
Auditors' remuneration for the audit of the Company's annual accounts	75	24
Intra-group management charge	8,131	3,927

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

10 Staff costs

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

	2013 Number	2012 Number
Sales	99	143
Administration	60	54
	<u>159</u>	<u>197</u>
	£'000	£'000
Their aggregate remuneration comprised		
Wages and salaries	6,078	4,660
Social security costs	303	367
Other pension costs	147	37
Staff costs excluding defined benefit contributions	<u>6,528</u>	<u>5,064</u>
Pension service costs (see note 23)	257	258
Staff costs including defined benefit contributions	<u>6,785</u>	<u>5,322</u>

The wages and salaries amount includes amounts recharged from other group companies in relation to employee services provided

11 Exceptional items

There are Exceptional costs relating to the year ended 30 September 2013 of £3 0m (2012 nil) related to

	2012 £'000	2011 £'000
Business Restructure	<u>(2,992)</u>	<u>-</u>

Reorganisation costs of £2,992k include restructuring, redundancy, IT costs and costs associated with changing suppliers for key back office processes

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

12 Tax

	2013 £'000	2012 £'000
Current tax		
UK corporation tax (credit) / charge for the period	-	-
Deferred tax		
Current year (credit) / charge (see note 19)	(1,188)	9,273
Prior year (credit) / charge	(158)	-
Total tax (credit) / charge	<u>(1,346)</u>	<u>9,273</u>

Corporation tax is calculated at 23.5% (2012: 25%) of the estimated assessable profit for the period

This is the weighted average tax rate applicable for the period following a reduction in the standard rate of UK Corporation Tax from 24% to 23% effective from 1st April 2013

The tax (credit)/charge for the period can be reconciled to the profit per the income statement as follows

	2013 £'000	2012 £'000
Loss before tax	<u>(3,991)</u>	<u>(1,727)</u>
Expected tax credit at the UK corporation tax rate of 23.5% (2012: 25%)	(938)	(432)
Effects of		
Current period deferred tax not recognised	69	207
Deferred tax effect of reduction in the main rate of Corporation tax	153	(10)
Deferred tax (not previously recognised) / no longer recognised	(472)	9,233
Adjustments in respect of prior periods	(158)	-
Group relief received for nil consideration	-	275
Tax credit and effective tax rate for the year	<u>(1,346)</u>	<u>9,273</u>

Finance Act 2011 included legislation to reduce the main rate of Corporation Tax to 25% with effect from 1st April 2012, this was amended by Finance Act 2012 which reduced the rate to 24% with effect from 1st April 2012. Finance Act 2012 also included legislation to reduce the main rate of Corporation Tax to 23% with effect from 1st April 2013. Finance Act 2013 included legislation to reduce the main rate of Corporation Tax to 21% with effect from 1st April 2014 and 20% with effect from 1st April 2015. The effect of these changes has been to reduce the deferred tax asset by £163,000 as at 30th September 2013 (£11,000 as at 30th September 2012).

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

13 Investments in subsidiary undertakings

Name of company	Country of incorporation	% ownership of ordinary shares	Principal activities
Close Number 23 Limited (formerly Thomas Cook Holidays Limited)	England & Wales	100%	Dormant
Close Number 26 Limited (formerly Thomas Cook Signature Limited)	England & Wales	100%	Dormant
Close Number 28 Limited (formerly Thomas Cook USA Travel Services Limited)	England & Wales	100%	Travel related

Investments are held at £nil net book value at the current and prior year end

14 Inventories

	2013 £'000	2012 £'000
Goods held for resale	105	147

15 Trade and other receivables

	2013 £'000	2012 £'000
Current assets		
Trade receivables – net	6,916	6,702
Deposits and prepayments	2,620	5,243
Other receivables	1,426	504
Amounts due from Group undertakings	23,092	26,366
Amounts due from subsidiary undertakings	237	237
	<u>34,291</u>	<u>39,052</u>

Amounts owed by group and subsidiary undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

15 Trade and other receivables (continued)

The average credit period taken on sales of goods is 19 days (2012 17 days) No interest is charged on receivables The amounts owed from the Group and subsidiary undertakings are unsecured and repayable on demand An allowance has been made for estimated irrecoverable amounts from the sale of goods of £646,000 (2012 £154,000) This allowance has been determined by reference to past default experience

Credit risk

The Company's principal financial assets are trade and other receivables, and amounts due from other Group undertakings

The Company's credit risk is primarily attributable to its trade receivables The amounts presented in the balance sheet are net of allowances for doubtful receivables An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers The credit risk in respect of direct receivables from customers is limited as payment is required in full before the services are provided In the case of travel services sold by third-party agents, the credit risk depends on the creditworthiness of those third parties, but this risk is also limited because of the relatively short period of credit

	2013 £'000	2012 £'000
Movement in allowances for doubtful trade receivables		
At beginning of period	(154)	-
Additional provision	(492)	(154)
Receivables written off	-	-
At end of period	(646)	(154)

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

At the year end, trade and other receivables of £177,000 (2012 £ 228,000) were past due but not impaired The analysis of the age of these financial assets is set out below

Trade and other receivables are not subject to restrictions on title and no collateral is held as security No interest is charged on the receivables The Directors consider that the carrying amounts of trade and other receivables is a reasonable approximation of their fair values due to expected recovery in the short term

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

16 Cash at bank and in hand

	2013 £'000	2012 £'000
Short term bank deposits	45,118	27,752

17 Borrowings

	2013 £'000	2012 £'000
Current		
Bank overdrafts due on demand and unsecured	(2,648)	-

The Company's borrowings are all short-term and are denominated in sterling. These are included within other payables in note 18.

18 Trade and other payables

	2013 £'000	2012 £'000
Current liabilities		
Trade payables	(12,160)	(13,560)
Accruals	(971)	(1,527)
Other payables	(2,660)	(351)
Amounts due to Group undertakings	(74,734)	(55,798)
Amounts due to subsidiary undertakings	(3,823)	(837)
	94,348	(73,623)

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 38 days (2012: 36 days).

Amounts owed to group and subsidiary undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The directors consider that the carrying amount of trade payables approximates to their fair value due to expected settlement in the short term.

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

19 Deferred tax assets

No deferred tax assets have been offset against deferred tax liabilities

The gross movement on the deferred income tax account is as follows

	2013 £'000	2012 £'000
Beginning of period	41	9,269
Income statement credit/(charge)	1,346	(9,273)
(Charged)/credited direct to equity	(164)	45
End of period	<u>1,223</u>	<u>41</u>

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current year

	Accelerated tax depreciation £'000	Tax Losses £'000	Retirement Benefit Obligations £'000	Total £'000
At 1st October 2011	1,637	7,603	29	9,269
Charged to the income statement	(1,637)	(7,603)	(33)	(9,273)
Credited to equity			45	45
At 30th September 2012	<u>0</u>	<u>0</u>	<u>41</u>	<u>41</u>
Credited to the income statement	194	1,029	123	1,346
Prior year adjustment			(164)	(164)
At 30th September 2013	<u>194</u>	<u>1,029</u>	<u>0</u>	<u>1,223</u>

At the balance sheet date, the company had unused tax losses of £38.6 million (2012 £34.7 million) and other short term timing differences of £9.0 million (2012 £8.9 million) available for offset against future profits. No deferred tax asset has been recognised in respect of unused tax losses of £33.6 million (2012 £34.7 million) and short term timing differences of £8.1 million (2012 £8.7 million) due to the unpredictability of long term future profits.

20 Called up share capital

	2013 £'000	2012 £'000
Authorised:		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Issued and fully paid:		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>

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

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

21 Contingent liabilities

At 30 September 2013 the Company has given guarantees and counter indemnities to banks totalling £15.7m (2012 £15.9m) in respect of bonding, letter of credit and guarantee facilities. The Company is also a guarantor over bonding, letter of credit and guarantee facilities utilised by other UK subsidiaries of the Group. The Group potential liabilities in relation to total bonding, letter of credit and guarantee facilities are £198.2m (2012 £199.9m).

In addition to this, the Company is one of the guarantors of the Group term and revolving credit facilities. Each of the guarantors is jointly liable for the drawn down portion of £9.6m (2012 £317.7m). In addition, the Company is one of the guarantors of the Euro and GBP bonds issued by Thomas Cook Group plc. Each of the guarantors is joint & severally liable for the £1,052.8m (2012 £612.5m) bond amount.

On 27 June 2013 the Group completed a £1.6bn recapitalisation of the business which included

- a 2 for 5 rights issue of 409,029,271 new ordinary shares at 76 pence per new ordinary share and a placing of 87,591,241 shares at 137 pence per share, raising gross proceeds of £431m
- issue of a new €525m Eurobond with a coupon of 7.75% which matures in June 2020
- a new £470m four year banking facility maturing in May 2017 to replace prior facilities, together with an additional £191m facility available from 2015 and a separate £30m bonding facility which matures in May 2015

As at 30 September 2013, £Nil (2012 £142m) was drawn under the revolving credit facility. The Company continues to be a guarantor to the Group's amended banking facility arrangements. At 30 September 2012, a £150m term loan with no fixed repayments was drawn down.

22 Share based payments

The Company operates five equity-settled share-based payment schemes, as outlined below. The total charge recognised during the year in respect of equity-settled share-based payment transactions was £159k (2012 £302k).

The Thomas Cook Group plc 2007 Performance Share Plan (PSP) and the HM Revenue & Customs Approved Company Share Option Sub-Plan (CSOSP)

Executive Directors and senior executives of the Company and its subsidiaries are granted options to acquire, or contingent share awards of, the ordinary shares of the Company. The awards will vest if performance targets including adjusted earnings per share (EPS), total shareholder return (TSR) and the Company's share price are met during the 3 years following the date of grant. Subject to vesting conditions, the options are exercisable up to 10 years after the date of grant.

The Thomas Cook Group plc 2008 Co-Investment Plan (COIP)

Executive Directors and senior executives may be required to purchase the Company's shares using a proportion of their net bonus (Lodged Shares). For each Lodged Share purchased participants may receive up to 3.5 Matching Shares if performance targets for EPS, return on invested capital (ROIC), TSR and the Company's share price are met during the 3 years following the date of grant. Subject to vesting conditions, the options or contingent share awards are exercisable up to 10 years after the date of grant.

The Thomas Cook Group plc 2008 Save As You Earn Scheme (SAYE)

Eligible employees across the Group were offered options to purchase shares in the Company by entering into a three or four year savings contract. The option exercise price was set at a 10% (2010 grant) or 20% (2008 grant) discount to the market price at the offer date. Options are exercisable during the six months after the end of the savings contract.

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

22 Share based payments (continued)

The Thomas Cook Group plc 2008 HM Revenue & Customs Approved Buy As You Earn Scheme (BAYE)

Eligible UK tax-paying employees are offered the opportunity to purchase shares in the Company by deduction from their monthly gross pay. For every ten shares an employee buys in this way, the Company will purchase one matching share on their behalf.

The Thomas Cook Group plc Restricted Share Plan (RSP)

Senior executives of the Company and its subsidiaries are granted options to acquire, or contingent share awards of, the ordinary shares of the Company. Executive Directors are excluded from receiving awards under the RSP. The Company will determine at the date of award whether the award will be subject to a performance target and the date of vesting. Subject to any vesting conditions, the options or contingent share awards are exercisable up to ten years after the date of grant.

The exercise price of awards outstanding at the year end and the average remaining contractual life of these awards were:

	PSP	RSP	2013 COIP	SAYE	CSOSP
Exercise price (£)	-	-	-	1.57-2.15	1.97
Average remaining contractual life (years)	8.7	9.5	7.7	0.3	7.3

23 Retirement benefit schemes

Defined benefit scheme

In the UK, Thomas Cook Scheduled Tour Operations Limited operates a funded defined benefit scheme which is closed to new employees. The pension costs are assessed in accordance with the advice of qualified actuaries using the attained age method. The last full valuation of this scheme was at 30 November 2010, at which time the actuarial report shows the market value of the assets in the scheme totalled £2.5m. There was a deficit in the scheme of £1.1m on a continuing basis and the scheme was 70% funded on the basis of the Minimum Funding Requirement of the Pensions Act 1995. The Company has agreed a schedule of contributions to improve the funding position up to 30 November 2015, which consist of four annual payments of £242,000 payable between 30 November 2011 and 30 November 2014 with a final payment of £230,000 to be made by 30 November 2015.

The valuation has been updated to 30 September 2013 for the purposes of IAS 19 and this valuation has been used in the disclosures given below. The key assumptions used in this valuation were:

	2013 %	2012 %
Discount rate for scheme liabilities	4.50	5.25
Inflation rate	2.75	3.25
Expected return on scheme assets	2.75	3.25
Expected rate of salary increases	N/A	N/A
Future pension increases	5.00	5.00

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

23 Retirement benefit schemes (continued)

The mortality assumptions used in arriving at the present value of those obligations at 30 September 2013 are based on 95% of the SAPS All Pensioners base tables with cohort improvements in line with the 2012 CMI model with a long term trend rate of 1.5% per annum for males and 1.25% per annum for females. The mortality assumptions adopted for the plan liabilities indicate a further life expectancy for members currently aged 65 of 23.2 years for men and 25.2 years for women.

The amounts recognised in the balance sheet are determined as follows

	2013 £'000	2012 £'000
Actuarial value of scheme liabilities	(3,049)	(3,248)
Fair value of scheme assets	3,006	3,066
Liability in the balance sheet	(43)	(182)

Amounts recognised in the statement of comprehensive income in respect of this defined benefit scheme are as follows

	2013 £'000	2012 £'000
Expected return on scheme assets	(87)	(95)
Interest cost on scheme liabilities	146	153
Total included in operating expenses	59	58

Actuarial gains and losses have been reported in the statement of comprehensive income, within other comprehensive income.

The contributions made during the year totalled £257,000 (2012: £258,000). The Company is expected to make aggregate contributions to its funded defined benefit scheme of £258,000 during the year commencing 1 October 2013. The Company does not expect the level of total contributions to vary materially in the foreseeable future.

Changes in the present value of defined benefit obligations were as follows

	2013 £,000	2012 £,000
At 1 October	3,248	2,918
Interest cost	146	149
Employee contributions	-	1
Benefits paid	(387)	(57)
Actuarial losses	42	243
At 30 September	3,049	3,248

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

23 Retirement benefit schemes (continued)

Changes in fair value of the scheme assets were as follows

	2013 £'000	2012 £'000
At 1 October	3,066	2,806
Expected return on scheme assets	87	95
Contributions from the company	257	258
Benefits paid	(387)	(66)
Actuarial (losses)/gains	(17)	(27)
At 30 September	3,006	3,066

The fair value of the scheme assets at the balance sheet date is analysed as follows

	2013 £'000	2012 £'000
With profits deferred annuities	3,006	3,066

The scheme assets do not include any of the Company's own financial instruments, nor any property occupied by, or other assets used by, the Company and is comprised of an insurance policy. The expected return on plan assets was 2.75% (2012: 3.25%).

The actual return on scheme assets attributable to the Company was £70,000 (2012: £68,000).

The expected rates of return on scheme assets have been calculated as the weighted average rate of return on each asset class. The return on each asset class is taken as the market rate of return.

The history of the experience gains and losses of the scheme during a three year period is as follows

	2013 £'000	2012 £'000	2011 £'000
Present value of defined benefit of obligations	(3,049)	(3,248)	(2,918)
Fair value of scheme assets	3,006	3,066	2,806
Scheme deficit	(43)	(182)	(112)
Experience adjustments on scheme liabilities	11	(71)	7
Experience adjustments on scheme assets	(17)	(27)	(14)

Thomas Cook Scheduled Tour Operations Limited

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Year ended 30 September 2013

23 Retirement benefit schemes (continued)

The reconciliation of the opening and closing balance sheet position is as follows

	£'000
At 1 October 2012	(182)
Interest expense	(59)
Contributions paid	257
Net actuarial loss gross of tax	(59)
At 30 September 2013	(43)

	2013 £'000	2012 £'000
Actuarial losses recognised in the SOCI in the year (before tax)	59	270
Cumulative actuarial losses recognised in the SOCI (before tax)	447	388

Defined Contribution Scheme

The Thomas Cook Group operates a defined contribution retirement pension scheme for all qualifying employees. The total pension charge for the year amounts to £147,000 (2012 £37,000) and represents contributions payable to the scheme by the Company at rates specified in the rules of the scheme. No amounts were outstanding at either year end.

The assets of this scheme are held separately from those of the Company in funds under the control of trustees.

24 Related party transactions

The company has taken advantage of the exemption available under FRS 101 to disclose only transactions with non-wholly owned companies in the Thomas Cook Group.

Transactions between the Company and non-wholly owned members of the Thomas Cook Group are disclosed below.

Trading transactions	Purchase of goods		Amounts owed by related parties	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Non-wholly owned subsidiaries	13,721	12,078	4,544	7,080

The Company's revenue represents the aggregate amount of gross revenue receivable from inclusive tours and other services supplied to customers in the ordinary course of business. Any commission costs paid to the related party distributors are recognised as part of the cost of sales. Therefore, as the related party distributors only recognise the commission receivable element of a holiday payment in the income statement, this also has been disclosed above as a purchase.

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

24 Related party transactions (continued)

There is also trade between Thomas Cook Scheduled Tour Operations (formerly BCT Travel Group Limited) and its subsidiaries and these transactions are undertaken at the Company's usual list prices. The amounts outstanding are unsecured and will be settled in the normal course of business. No guarantees have been given or received. In addition, no provisions have been made for doubtful debts in respect of the amounts owed by related parties.

The Company paid a net management charge to Thomas Cook Group Plc of £8.1 million (2012: £3.9 million BCT Travel Group Limited) in respect of services provided by the group, including information technology, legal, human resources, finance and an apportionment of the cost of outsourcing certain support services.

Other trading transactions

During the year, the Company had no other trading transactions with related parties (2012: nil).

25 Directors Remuneration

Directors' emoluments

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

	2013 £'000	2012 £'000
Aggregate emoluments in respect of qualifying services	227	330
Termination benefits	192	-
Aggregate Company pension contributions to defined contributions schemes	13	42
Total	432	372

There are 3 directors included in the defined benefit pension scheme (2012: none). No gains were made by directors on the exercise of share options.

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

	2013 £'000	2012 £'000
Aggregate emoluments in respect of qualifying services	66	325
Termination benefits	192	-
Aggregate Company pension contributions to defined contributions schemes	9	23
Total	267	348

The disclosure for the highest paid director includes all of that director's remuneration received in the year. This has been paid by Thomas Cook Retail Limited and has been allocated to the remuneration of key management personnel note on a 4 way split due to the director also holding directorships in other Group Companies.

Directors' transactions

There were no loans, quasi-loans or other transactions with directors (or other key management personnel) which would need to be disclosed under the requirements of Schedule 6 of the Companies Act or IAS 24, "Related party disclosures".

Thomas Cook Scheduled Tour Operations Limited

Notes to the financial statements

Year ended 30 September 2013

Financial instruments

Carrying values of financial assets and liabilities

The carrying values of the Company's financial assets and liabilities as at 30 September 2013 and 30 September 2012 are as set out below

	Held for trading	Derivative instruments in designated hedging relationships	Loans and receivables	Available-for-sale	Financial liabilities at amortised cost
At 30 September 2013	£'000	£'000	£'000	£'000	£'000
Trade and other receivables	-	-	34,291	-	-
Cash and cash equivalents	-	-	45,118	-	-
Trade and other payables	-	-	-	-	(91,700)
Borrowings	-	-	-	-	(2,648)
Derivative financial instruments	-	-	-	-	(718)
	-	-	79,409	-	(95,066)

26 Ultimate controlling party

The Company is a subsidiary of Close Number 8 Limited, which is incorporated in England and Wales

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

The largest and smallest group in which the results of the Company are consolidated is that of which Thomas Cook Group plc is the parent company. The consolidated accounts of Thomas Cook Group plc may be obtained from 3rd Floor, South Building, 200 Aldersgate, London EC1A 4HD