

Registration number: 5273788

Parkway Hellas Holdings Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2018



Parkway Hellas Holdings Limited

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Parkway Hellas Holdings Limited

Company Information

Directors	Thomas Cook Group Management Services Limited J Russell
Company secretary	S Bradley
Registered office	Westpoint Peterborough Business Park Lynch Wood Peterborough PE2 6FZ
Auditor	Ernst & Young LLP 1 More London Place London SE1 2AF

Parkway Hellas Holdings Limited

Strategic Report for the Year Ended 30 September 2018

The directors present their strategic report for the year ended 30 September 2018.

Business review and principal activities

Parkway Hellas Holdings Limited ("the Company") is a wholly owned subsidiary of Thomas Cook Group plc ("the Group"), a company that is listed on the London Stock Exchange. The principal activity of the Company is that of a financing company, that provides loan funding to the Thomas Cook group of companies. During the year, the Company continued to provide funding.

The Company made a profit for the financial year of £0.2m (2017: profit of £0.2m). The Company has net assets of £27.7m (2017: £27.5m) per the balance sheet.

For further information on the Group's business review and principal activities please refer to the Thomas Cook Group plc Annual Report and Accounts 2018.

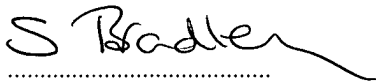
Key performance indicators ("KPIs")

The Company is a member of the Thomas Cook Group plc group of companies ("the Group"). The key performance indicators of the Company are integrated with the performance of the Group, and are not managed separately. The Company's directors believe that further analysis is not necessary for an understanding of the development, performance, position or risks of the Company. A detailed review of the Group key performance indicators can be found in the Thomas Cook Group plc Annual Report and Accounts for 2018.

Principal risks and uncertainties

The Company is dependent on the future trade of other members of the Thomas Cook Group for the recoverability of its intercompany balances.

Approved by the Board on 20 June 2019 and signed on its behalf by:



S Bradley
Company secretary

Parkway Hellas Holdings Limited

Directors' Report for the Year Ended 30 September 2018

The directors present their report and the financial statements for the year ended 30 September 2018.

Directors' of the company

The directors, who held office during the year, were as follows:

Thomas Cook Group Management Services Limited

P A Hemingway (resigned 21 November 2018)

The following directors were appointed after the year end:

A C Donald (appointed 21 November 2018 and resigned 14 June 2019)

J Russell - Director (appointed 14 June 2019)

Company Secretary

S Bradley

Dividends

The Directors do not recommend the payment of an ordinary dividend for the year ending 30 September 2018 (2017: £nil).

Directors' indemnities

In accordance with its Articles, the Company has granted a qualifying third party indemnity, to the extent permitted by law, to each Director which was in force during the year and as at the date of approval of these financial statements. The Company also maintains Directors' and Officers' liability insurance.

Charitable and political contributions

The Company made no charitable or political donations during the year ending 30 September 2018 (2017: £nil).

Environment and employees

As the Company has no direct employees, the Directors do not consider it necessary to report on environmental or employment policies.

Future developments

The Directors are not aware at the date of this report of any likely major changes in the Company's activities in the next year.

Financial risk management

Financial risks to the Company and the management of these risks have been disclosed in the Strategic report on page 2.

Parkway Hellas Holdings Limited

Directors' Report for the Year Ended 30 September 2018 (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report and Directors' report and the financial statements in accordance with applicable UK 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; 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.

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Thomas Cook Group plc. The Directors have received confirmation that Thomas Cook Group plc intends to support the Company for at least one year after these financial statements are signed.

However, the Directors note the publication on 16 May 2019 of the Thomas Cook Group plc condensed consolidated interim financial statements for the six months ended 31 March 2019 in which a material uncertainty in relation to going concern is disclosed. Further details of this disclosure is set out in note 2 to the accounts on page 14. As a consequence, the Directors of the Company recognise there is a corresponding material uncertainty concerning the support provided by Thomas Cook Group plc. This could cast significant doubt on the ability of the Company to continue as a going concern. Nevertheless, having considered the uncertainties described above and after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the financial statements.

Disclosure of information to the auditors

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

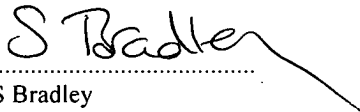
Parkway Hellas Holdings Limited

Directors' Report for the Year Ended 30 September 2018 (continued)

Independent auditors

Ernst & Young LLP provided an independent audit for the period ended 30 September 2018. Ernst & Young LLP are deemed to be reappointed and have agreed to continue in office as auditor for the financial year ending 30 September 2019.

Approved by the Board on 20 JUNE 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'S Bradley', with a long horizontal line extending to the right.

S Bradley
Company secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARKWAY HELLAS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Parkway Hellas Holdings Limited (the 'company') for the year ended 30 September 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 9, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2018 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 (page 14) in the financial statements, which states there is a material uncertainty concerning the support provided by Thomas Cook Group plc. This may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report set out on pages 2-5, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARKWAY HELLAS HOLDINGS LIMITED (Continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

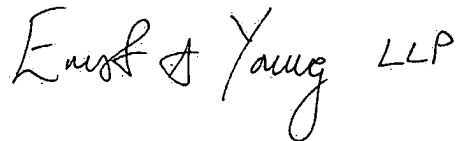
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARKWAY HELLAS HOLDINGS LIMITED (Continued)

Use of our report

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

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

Richard Wilson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
20 June 2019

Parkway Hellas Holdings Limited

Statement of Comprehensive Income for the Year Ended 30 September 2018

	Note	2018 £ m	2017 £ m
Interest receivable	4	<u>0.2</u>	<u>0.2</u>
Profit before tax		0.2	0.2
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
Profit for the year		<u><u>0.2</u></u>	<u><u>0.2</u></u>

The profit for the period ended 30 September 2018 is wholly attributable to the continuing operations of the Company.

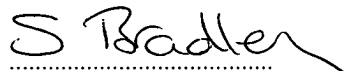
There is no other comprehensive income or expense for the period ended 30 September 2018 (2017: £nil).

The notes on pages 12 to 17 form an integral part of these financial statements.

Parkway Hellas Holdings Limited
(Registration number: 5273788)
Balance Sheet as at 30 September 2018

	Note	30 September 2018 £ m	30 September 2017 £ m
Current assets			
Debtors	6	<u>28.7</u>	<u>28.5</u>
Total Assets		<u>28.7</u>	<u>28.5</u>
Current Liabilities			
Creditors: Amounts falling due within one year	7	<u>(1.0)</u>	<u>(1.0)</u>
Net assets		<u>27.7</u>	<u>27.5</u>
Capital and reserves			
Share premium reserve		7.5	7.5
Profit and loss account		<u>20.2</u>	<u>20.0</u>
Total shareholders' funds		<u>27.7</u>	<u>27.5</u>

Approved by the Board on 20 June 2019 and signed on its behalf by:



S Bradley representing Thomas Cook Group Management Services Limited, Director

The notes on pages 12 to 17 form an integral part of these financial statements.

Parkway Hellas Holdings Limited

Statement of Changes in Equity for the Year Ended 30 September 2018

	Share premium £ m	Profit and loss account £ m	Total £ m
At 1 October 2016	7.5	19.8	27.3
Profit for the year	-	0.2	0.2
At 30 September 2017	<u>7.5</u>	<u>20.0</u>	<u>27.5</u>
At 1 October 2017	7.5	20.0	27.5
Profit for the year	-	0.2	0.2
At 30 September 2018	<u>7.5</u>	<u>20.2</u>	<u>27.7</u>

The notes on pages 12 to 17 form an integral part of these financial statements.

Parkway Hellas Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

1 General information

Parkway Hellas Holdings Limited is a limited liability incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office is Westpoint, Peterborough Business Park, Lynch Wood, Peterborough, Cambridgeshire, PE2 6FZ. The nature of the Company's operations and its principal activities are set out in the Strategic report. These financial statements are presented in GBP (£) 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 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 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Parkway Hellas Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

2 Accounting policies (continued)

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with IFRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 111 (cash flow statement information)
 - 38A (requirement for minimum of two primary financial statements, including cashflow statements)
 - 38B-D (additional comparative information)
 - 40A-D (requirements for third statement of financial position)
 - 134 - 136 (capital management disclosures), and
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Where relevant, equivalent disclosures have been given in the group financial statements of the Group. The consolidated financial statements of the Group are available to the public and can be obtained as set out in note 9.

The financial statements have been prepared on a going concern basis. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 October 2017 have had a material effect on the financial statements.

Parkway Hellas Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

2 Accounting policies (continued)

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Thomas Cook Group plc. The Directors have received confirmation that Thomas Cook Group plc intends to support the Company for at least one year after these financial statements are signed.

However, the Directors note the publication on 16 May 2019 of the Thomas Cook Group plc condensed consolidated interim financial statements for the six months ended 31 March 2019 in which a material uncertainty in relation to going concern is disclosed.

As set out in those interim financial results the Group is facing challenging trading conditions and a strategic review of the Group Airline was announced on 7 February 2019. The Group prepared revised forecasts for the period to September 2021, recognising the continuing uncertain trading environment across the Group, which allowed the Group Directors to assess the level of liquidity and covenant headroom. This demonstrated a possible requirement for additional liquidity. These scenarios also assume that shareholders will approve, at or before the next AGM, the removal of Article 122(B) restricting the Group's borrowing limits.

The Group has agreed a mandate letter and a term sheet for a new £300 million secured bank financing facility with its lending banks. The availability of the new facility is principally dependent on progress in executing the strategic review of the Group Airline. The strategic review of the Airline is progressing well, with a number of expressions of interest. The Group Directors recognise that there is uncertainty surrounding its timing and terms and the associated conditions in the new financing arrangement, which could impact the ability of the Group to access the required liquidity, and they have concluded that this matter represents a material uncertainty. This could cast significant doubt on the ability of the Group to continue as a going concern.

As a consequence, the Directors of the Company recognise there is a corresponding material uncertainty concerning the support provided by Thomas Cook Group plc. This could cast significant doubt on the ability of the Company to continue as a going concern. Nevertheless, having considered the uncertainties described above and after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the Company financial statements.

Parkway Hellas Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

2 Accounting policies (continued)

Tax

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws substantively enacted at the balance sheet date.

Debtors

Debtors are recognised at their fair value and subsequently recorded at amortised cost using the effective interest method as reduced by allowances for estimated irrecoverable amounts. An allowance for irrecoverable amounts 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. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows.

Creditors

Creditors are recognised at their fair value and subsequently recorded at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as share capital. 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 judgements 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 loan receivables from fellow subsidiary undertakings

Judgements have been made in respect of the amounts of future operating cash flows to be generated by certain of the Thomas Cook Group businesses in order to assess whether there has been any impairment of the amounts included in the balance sheet for loan receivables in relation to those businesses.

3 Profit on ordinary activities before taxation

The Directors of the company were employed and remunerated by other group companies. The qualifying services provided to the company by these Directors were incidental to their main roles, therefore the remuneration amount relating to the Company is £nil for the year ending 30 September 2018 (2017: £nil). There are no other employees of the company.

Auditor's remuneration is borne by Thomas Cook Group plc, the ultimate parent company of Parkway Hellas Holdings Limited.

Parkway Hellas Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

4 Interest receivable

	2018 £ m	2017 £ m
Interest receivable on Group undertakings	<u>0.2</u>	<u>0.2</u>

5 Tax on profit on ordinary activities

	2018 £ m	2017 £ m
UK corporation tax charge/(credit) for the period before tax	-	-
Total current tax	<u>-</u>	<u>-</u>

Corporation tax is calculated at 19% (2017: 19.5%) of the estimated assessable profit for the period.

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

	2018 £ m	2017 £ m
Profit/(loss) before tax	<u>0.2</u>	<u>0.2</u>
Profit/(loss) before tax multiplied by the current tax rate of 19% (2017: 19.5%)	-	0.1
Group relief for nil consideration	-	(0.1)
Total tax charge/(credit)	<u>-</u>	<u>-</u>

Effective from 1 April 2020 the UK corporation tax rate will be reduced to 17%, as enacted on 15 September 2016. Deferred tax on temporary differences and tax losses as at the balance sheet date is calculated based on the substantively enacted rates at which the temporary differences and tax losses are expected to reverse.

Finance (No. 2) Act 2017 was substantively enacted on 31 October 2017 and included legislation to amend the rules relating to the utilisation of brought forward losses and the deductibility of interest for corporation tax purposes. These new rules apply retrospectively from 1 April 2017.

There are no unrecognised deferred tax assets or liabilities.

6 Debtors

	30 September 2018 £ m	30 September 2017 £ m
Amounts owed by Group undertakings	<u>28.7</u>	<u>28.5</u>

Amounts owed by other group undertakings are repayable on demand. The average interest on amounts owed by fellow group undertakings was 0.77% (2017: 0.84%). The Directors consider the fair value to be equal to the book value. All amounts are dominated in sterling.

Parkway Hellas Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

7 Creditors

	30 September 2018 £ m	30 September 2017 £ m
Amounts owed to Group undertakings	<u>(1)</u>	<u>(1.0)</u>

The amount owed to group undertakings is a non interest bearing loan payable on demand.

8 Share capital

	30 September 2018 £m	30 September 2017 £m
Authorised		
1,000 (2017: 1,000) Ordinary shares of £1 each	<u>-</u>	<u>-</u>

	30 September 2018 £m	30 September 2017 £m
Allotted, called up and fully paid		
100 (2017: 100) Ordinary shares of £1 each	<u>-</u>	<u>-</u>

9 Ultimate controlling party

The Company is a direct subsidiary of Parkway Limited, a company incorporated in Guernsey.

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

The smallest and largest group of which Parkway Hellas Holdings Limited is a member and in which the results of the Company are consolidated is that headed by Thomas Cook Group plc. The consolidated financial statements of Thomas Cook Group plc may be obtained from 3rd floor, South Building, 200 Aldersgate, London EC1A 4HD.