

Thomas Cook West Investments Limited

Annual report and financial statements

For the year ended 30 September 2014

Registered number: 8157544



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Thomas Cook West Investments Limited

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Thomas Cook West Investments Limited

Strategic report

The Directors present their strategic report for the period ended 30 September 2014.

Business review & principal activities

Thomas Cook West Investments Limited (the “Company”) was incorporated on 26 July 2012 and is an indirect wholly owned subsidiary of Thomas Cook Group plc (the “Group”). The principal activity of the Company is that of an investment holding company. This activity is expected to continue for the foreseeable future.

As part of the Group’s reorganisation in relation to the Capital Refinancing Plan, on 30 August 2013 the Company was transferred from Thomas Cook Continental Holdings Limited to Sandbrook Overseas Investments Limited.

On 12 November 2013, the Company subscribed to a further 700,000 shares of CHF 1.00 each in Thomas Cook International AG (“CIS”) for a cash consideration of €11.0m. The Company remains the sole shareholder of CIS.

The Company made a profit for the year of €72.3m (2013: profit of €5.4m). The directors consider that the financial position of the Company at the end of the period was satisfactory. 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.

Principal risks and uncertainties

The principal area of risk or uncertainty for the Company relates to the carrying amount of the Company's investments in subsidiary undertakings which are dependent on the financial performance of those undertakings. The directors carry out an annual assessment of the carrying value of the investments by reference to the underlying net assets and the forecast future financial performance, including cash flows, of the subsidiary undertakings.

Key performance indicators

The directors of Thomas Cook Group plc (the “Group”) manage the Group’s operation 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 its business. The development, performance and position of the Corporate segment of the Group, which include the results of the Company, are discussed in the financial review on page 65 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:



S Bradley representing Thomas Cook Group Management Services Ltd
Director
20 February 2015

Thomas Cook West Investments Limited

Directors' report

The Directors present their Directors' report for the year ended 30 September 2014.

Directors

Directors were the key management personnel. The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

C Stoehr
Thomas Cook Group Management Services Limited

Company Secretary

S Bradley

Dividends

The Directors do not recommend the payment of an ordinary dividend for the year ending 30 September 2014 (2013: 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.

Supplier payment policy

It is the Company's policy to comply with the terms of payment agreed with suppliers. Where payment terms are not negotiated, the Company endeavours to adhere to suppliers' standard terms.

Charitable and political contributions

The Company made no charitable or political donations during the year.

Environment and employees

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

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.

Thomas Cook West Investments Limited

Directors' report (continued)

Statement of Directors' responsibilities (continued)

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.

Events since the balance sheet date

On 16 January 2015, the Group offered €400.0m of 6.75% Senior Notes due 2021 (the "2021 Notes") at an issue price of 100%. The 2021 Notes will include a call option in favour of the Issuer exercisable after three year and will pay interest semi-annually on 15 June and 15 December, commencing 15 June 2015. The 2021 Notes will mature on 15 June 2021 and Thomas Cook West Investments Limited will be one of the guarantors.

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.

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.

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 Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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:



S Bradley representing Thomas Cook Group Management Services Ltd
Director
20 February 2015

Registered office

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

Thomas Cook West Investments Limited

Independent auditors' report to the members of Thomas Cook West Investments Limited

Report on the financial statements

Our opinion

In our opinion, Thomas Cook West Investments Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 30 September 2014 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.

What we have audited

Thomas Cook West Investments Limited's financial statements comprise:

- the Balance sheet as at 30 September 2014;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; 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 the preparation of the financial statements is 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.

Opinion on other matters 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 and explanations 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 to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not 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 Statement of directors' responsibilities set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Thomas Cook West Investments Limited

Independent auditors' report to the members of Thomas Cook West Investments Limited (continued)

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements 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.



Andrew Hodgekins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 February 2015

Thomas Cook West Investments Limited
Statement of comprehensive income
Year ended 30 September 2014

		Year ending 30 September 2014 €m	Period ending 30 September 2013 €m (restated)
	Notes		
Amounts written off investments	4	72.6	(124.2)
Profit/(loss) from operations		72.6	(124.2)
Income from share in group undertakings		-	129.6
Interest payable and similar charges		(0.3)	-
Profit on ordinary activities before taxation		72.3	5.4
Tax on profit on ordinary activities	3	-	-
Profit and total comprehensive income for the year/period		72.3	5.4
Attributable to: Owners of the parent		72.3	5.4

The result for the year/period is wholly attributable to the continuing operations of the Company.

There is no other comprehensive income or expense for the year/period.

The results for period ended 30 September 2013 cover the period from the date of incorporation (26 July 2012) to 30 September 2013 and have been restated to show the impact of the change in presentational currency from GBP to EUR.

Thomas Cook West Investments Limited

Registered number: 8157544

Balance sheet as at 30 September 2014

	Notes	30 September 2014 €m	30 September 2013 €m (restated)
Fixed assets			
Investments	4	880.4	796.8
Total assets		880.4	796.8
Current liabilities			
Creditors: Amount falling due within one year	5	-	(12.0)
Net current liabilities		-	(12.0)
Total assets less current liabilities		880.4	784.8
Non-current liabilities			
Creditors: Amount falling due after more than one year	5	(23.3)	-
Net assets		857.1	784.8
Capital and reserves			
Called up share capital	6	-	-
Share premium account		779.4	779.4
Profit and loss account		77.7	5.4
Total shareholders' funds		857.1	784.8

Opening balance sheet (as at 1 October 2012) for the 2013 comparative year has not been presented as the Company was incorporated on 26 July 2012 and the first set of financial statements covered the period from 26 July 2012 to 30 September 2013.

The figures as at 30 September 2013 have been restated to show the impact of the change in presentational currency from GBP to EUR.

The financial statements on pages 7-15 were approved by the Board of Directors for issue on 20 February 2015.

Signed on behalf of the Board,



S Bradley representing Thomas Cook Group Management Services Ltd
Director

20th February 2015

Thomas Cook West Investments Limited
Statement of changes in equity
For the year ended 30 September 2014

	Called up share capital €m	Share premium account €m	Profit and loss account €m	Total shareholders' fund €m
At 26 July 2012	-	-	-	-
Issue of shares (restated)	-	779.4	-	779.4
Profit for the financial period and total comprehensive income (restated)	-	-	5.4	5.4
Balance at 30 September 2013 and 1 October 2013 (restated)	-	779.4	5.4	784.8
Profit for the year and total comprehensive income	-	-	72.3	72.3
Balance at 30 September 2014	-	779.4	77.7	857.1

The figures for period ended 30 September 2013 have been restated to show the impact of the change in presentational currency from GBP to EUR.

Thomas Cook West Investments Limited

Notes to the financial statements for the year ended 30 September 2014

1. General information

Thomas Cook West Investments 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, Cambs, PE3 8SB. The nature of the Company's operations and its principal activities are set out in the Strategic Report. During the year, there was an accounting policy decision to change the presentation currency from GBP to Euro (€) as the majority of the Company's transactions are designated in Euros.

The Company is a wholly-owned subsidiary company and is included within the audited consolidated financial statements of Thomas Cook Group plc, a company incorporated in Great Britain, which have been prepared in accordance with International Financial Reporting Standards 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.

Adoption of new or amended standards and interpretations in the current year

In the current year, no new or amended standards have been adopted which are relevant to the Company.

2. Significant accounting policies

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) 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 FRS101.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, 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 7.

As a result of FRS 101 being applicable to entities with a year-end from 1 January 2015, the company made the business decision to adopt the standard early (FRS 101 para.11).

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. These policies have been applied consistently to the periods presented unless otherwise stated.

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.

Thomas Cook West Investments Limited

Notes to the financial statements for the year ended 30 September 2014 (continued)

2. Significant accounting policies (continued)

Investments

Investments in subsidiary undertakings are accounted for at cost less provision for impairment. Impairment reviews are performed when there has been an indication of potential impairment.

Investment income

Investment income is recognised when the Company's right to receive the payment is established.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by 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.

This is calculated on a non-discounted basis by reference to the average tax rates that are expected to apply in the relevant jurisdiction and for the year 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.

Foreign currency

Transactions in currencies other than the functional currency of the Company are translated at the exchange rate on the date of the transaction. Foreign currency monetary assets and liabilities held at the period end are translated at period end exchange rates. The resulting exchange gain or loss is taken through the income statement.

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.

Administrative expenses

The Company has no employees (2013: none). Administrative expenses of the Company, including audit fees of €600 (2013: €600) and directors' remuneration, were borne by Thomas Cook Group plc, the Company's parent undertaking, during both accounting years with no recharge made as the amounts were minimal.

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.

Thomas Cook West Investments Limited

Notes to the financial statements for the year ended 30 September 2014 (continued)

2. Significant accounting policies (continued)

Recoverable amounts of investments

Judgments have been made in respect of the amounts of future operating cash flows to be generated by certain of the Company's businesses in order to assess whether there has been any impairment of the amounts included in the balance sheet for investments in relation to those businesses.

3. Tax on profit on ordinary activities

Analysis of the tax charge in the year

	Year ended 30 September 2014 €m	Period ended 30 September 2013 €m (restated)
UK corporation tax charge for the year	-	-
Current tax charges	-	-

Corporation tax is calculated at 22.0% (2013: 23.6%) of the estimated assessable profit for the year. This is the weighted average tax rate applicable for the year following a reduction in the standard rate of UK Corporation Tax from 23% to 21% effective from 1st April 2014.

The tax charge for the year can be reconciled to the results per the income statement as follows:

	Year ended 30 September 2014 €m	Period ended 30 September 2013 €m (restated)
Profit before taxation	72.3	5.4
Profit before tax multiplied by the current tax rate of 22.0% (2013: 23.6%)	15.9	1.3
Effects of:		
Non-taxable dividend income	0.0	(30.6)
(Income)/Expenses not deductible for tax purposes	(16.0)	29.3
Group relief for nil consideration	0.1	0.0
Tax charge for the year	-	-

The Finance Act 2012 included legislation to reduce the main rate of Corporation Tax to 23% with effect from 1st April 2013. The 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 changes have had no effect on these financial statements.

Deferred tax

There are no unrecognised deferred tax assets or liabilities (2013: €nil).

Thomas Cook West Investments Limited

Notes to the financial statements for the year ended 30 September 2014 (continued)

4. Investments

Subsidiaries	€m
At 26 July 2012 (restated)	-
Contribution in kind (restated)	779.4
Additions (restated)	141.6
Impairments (restated)	(124.2)
At 30 September 2013 (restated)	796.8
Additions	11.0
Reversal of impairment	72.6
At 30 September 2014	880.4

As a result of the equity value of Thomas Cook Retail Belgium NV as at 30 September 2013, an impairment charge of £104.5m was booked against the carrying value of the investment. This was partially reversed in the current financial year due to the increase in the estimated equity value of Thomas Cook Retail Belgium NV as at 30 September 2014.

On 12 November 2013, the Company subscribed to a further 700,000 shares of CHF 1.00 each in Thomas Cook International AG ("CIS") for a cash consideration of €11.0m.

The details of the principal subsidiaries are set out in note 8.

5. Creditors

	Year ended 30 September 2014 €m	Period ended 30 September 2013 €m (restated)
Creditors: Amount falling due within one year		
Amounts owed to group undertakings	-	(12.0)
	-	(12.0)
Creditors: Amount falling due after more than one year		
Amounts owed to group undertakings	(23.3)	-
	(23.3)	-

Increase in amounts due to group undertakings reflect the capital addition for Thomas Cook International AG .

Thomas Cook West Investments Limited

Notes to the financial statements for the year ended 30 September 2014 (continued)

6. Called up share capital

	Year ended 30 September 2014 €	Period ended 30 September 2013 € (restated)
Authorised		
3 Ordinary shares (2013: 3) of £1 each	4	4
Allotted, called-up and fully paid		
3 Ordinary shares (2013: 3) of £1 each	4	4

Share capital is translated at the historic GBP/EUR rate of 1.28 prevailing on the date of incorporation on 26 July 2012 and so there is no change year on year.

7. Ultimate controlling party

The Company is a direct subsidiary of Sandbrook Overseas Investments Limited a company 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 of which Thomas Cook West Investments Limited is a member and in which the results of the Company are consolidated is that headed by Thomas Cook Group plc, which is registered in England and Wales. Copies of the Thomas Cook Group plc financial statements can be obtained from 3rd floor, south building, 200 Aldersgate, London EC1A 4HD.

8. Principal subsidiaries and associated and joint venture undertakings

	Country of incorporation and operation	Proportion held by company (%)
Direct subsidiaries		
Thomas Cook Airlines Belgium NV	Belgium	99.99
Thomas Cook Belgium NV	Belgium	99.99
Thomas Cook International AG	Switzerland	100
Thomas Cook Nederland BV	Netherlands	100
Thomas Cook Retail Belgium NV	Belgium	100

Thomas Cook Investments (2) Limited owns the remaining 0.01% of shares in Thomas Cook Belgium NV. Thomas Cook Retail Belgium owns the remaining 0.01% of Thomas Cook Airlines Belgium NV.

9. Contingent liability

As at 30 September 2014, the Company is one of the guarantors of the Group credit and bonding facility. Each of the guarantors is jointly liable for the drawn down portion of €4.3m (2013: €11.5m). The Company is also guarantor over bonding, letters of credit and guarantee facilities utilised by other UK subsidiaries of the Group. Potential liabilities in relation to total bonding, letter of credit and guarantee facilities are €182.0m (2013: €203.8m).

In addition, the Company is one of the guarantors for the €525m 2020 Senior Notes issued by Thomas Cook Finance Plc.

10. Subsequent events

On 16 January 2015, the Group offered €400.0m of 6.75% Senior Notes due 2021 (the "2021 Notes") at an issue price of 100%. The 2021 Notes will include a call option in favour of the Issuer exercisable after three year and will pay interest

Thomas Cook West Investments Limited

Notes to the financial statements for the year ended 30 September 2014 (continued)

10. Subsequent events (continued)

semi-annually on 15 June and 15 December, commencing 15 June 2015. The 2021 Notes will mature on 15 June 2021 and Thomas Cook West Investments Limited will be one of the guarantors.