



A Successful Journey of Transformation





Contents

• A Successful Business Transformation for Sustainable Growth	01
• Making travel an all season business	02
• Making travel integral to living	04
• Making travel an all region business	06
• Chairman's Message	08
• Board of Directors	10
• Financial Highlights of Consolidated Accounts	12
• Corporate Information	13
• Management Discussion & Analysis	14
• Directors' Report	24
• Report on Corporate Governance	31
• Corporate Social Responsibility Report	45
• Independent Auditor's Report	49
• Balance Sheet	52
• Statement of Profit and Loss	53
• Cash Flow Statement	54
• Significant Accounting Policies	56
• Financial Information of Subsidiary Companies	85
• Statement regarding subsidiary Company Pursuant to Section 212 of the companies	89
• Independent Auditor's Report	95
• Consolidated Balance Sheet	96
• Consolidated Statement of Profit and Loss	97
• Consolidated Cash Flow Statement	98
• Significant Accounting Policies	100





A Successful Business Transformation for Sustainable Growth

Cox & Kings has a strong legacy of delivering value for over 250 years. In our pursuit to build a business that can stand the test of time, we have been maintaining our focus on growth, profitability and sustainability, thus creating value for our stakeholders along the way. We have consistently and strategically deepened our business model, which will enable us to grow faster, and sustain a longer journey. The acquisition of Holidaybreak (HBR), a leading European Education activity and Leisure specialist travel company, has brought along deep synergies in the form of our expanded market reach, cross selling opportunities and a more resilient business model. The acquisition also brings in a unique mix of fast growing & defensive business segments like leisure & education. For Cox & Kings Group, we now have a great mix of fast growing markets like India, Australia, New Zealand & Middle East alongside mature markets of Europe.

HBR's leadership position in niche travel segments, such as education travel and camping business, have a transformational impact on our business. The Education landscape, in each of our focused markets, is undergoing a rapid shift and has seen considerable investment from both government and private players despite the macro-economic challenges. We believe that HBR's well-established brands will help us position favorably in the fast growing markets like India and Australia. In addition, HBR's wide spectrum of leisure product portfolio further consolidates our position as an integrated global tour operator, with a leadership position in India.

This, along with our earlier acquisitions, enables backward integration in our focused markets; along with considerable cost advantage through consolidation of technology and product development. By consolidating our product sourcing operations globally, we enjoy significant bargaining power with suppliers, making our offering more competitive, yet highly profitable.



Making travel an
all season business





Leisure travel is a seasonal product. The high variation in peak and off-season demand of leisure travel makes it challenging for the travel and hospitality companies to effectively utilize their resources and manage costs all through the year. At Cox & Kings, we strongly believe that amidst every challenge lies an opportunity.

For instance, our attractive travel offerings all through the year is gradually influencing Indian customers to travel beyond the busy summer holiday season. Our “Instant Holidays” product gives customers a choice to travel into domestic and international destinations over short weekends throughout the year and has seen a brilliant response.

In addition, our ability to leverage our strong global presence to tap different buyer segments across focused markets helps us to exploit the time variation in demand and provide our suppliers with a good business all through

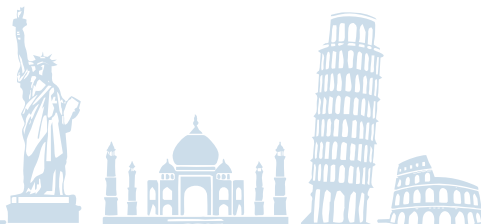
the year. In the process, we are able to bargain for better pricing with our suppliers. In Europe, for instance, the peak demand season from India is usually between Apr – Jun, while peak demand from Australia is the Jul-Sep season.

Our presence in education business segment brings greater certainty to our revenues, especially during the first half of the year.





Making travel integral to living





Travel & Tourism has been one of the largest and fastest growing industries across both developed and developing economies. The increasing integration of the global economies is driving its growth even further.

The reasons for travel can be many including Leisure, Business, Visiting Friends and Relatives, Education, Vacation, Adventure and so on and so forth. While all of these have been an integral part of living in the developed economies, with increasing per capita income, higher workforce mobility and increasing proportion of working parents; they are fast becoming routine in the developing world too.

We are uniquely present to effectively marry the demand with supply and create an integrated travel solution for each of our focus business segments.

We have been strategically expanding our presence across the globe. Our destination management companies are classic examples. These businesses benefit from a robust and growing customer traffic generated from our various outbound markets. It allows us to capture a large share of our client spends, thereby enhancing our margins. Our

physical presence tremendously enhances our negotiation capabilities. Today, we are present in over twenty countries through our subsidiaries, branch offices, representative offices and a global network of sales agents.

Our Education business operates on a similar principle. NST is a market leading student tour operator brand for secondary schools in UK. School tour groups, including from NST utilise Meininger hotel on their European tours, thereby driving occupancy for our young & expanding hotel chain.





Making travel an
all region business





Steadily, we have been expanding our presence across the globe. Our physical presence tremendously enhances our negotiation capabilities, especially in our inbound focus markets.

Today, we are present in over twenty countries through our subsidiaries, branch offices, representative offices and a global network of sales agents. Our wide global offline network supplements our strong online presence and helps us to provide an additional comfort to our customers. The physical interface is especially useful in selling complex tour packages or in places where people prefer a face-to-face discussion. Our dedicated captive destination management services in each of our focus inbound markets equip us to leverage our deep client understanding of our outbound clients taste and develop a program in accordance with their requirements. It also allow us to capture the most of our client spend, thereby, enhancing our margins.

In few of our outbound focus markets, we have focused on niche segments such as retirees and ultra high net worth individuals in the UK and luxury packages in the US, which have been more resilient to the economic swings.

Our Hotel Breaks business has expanded its short-breaks product for UK customers, offering several continental European packages, besides UK domestic packages. In addition, the Explore business offers 450 soft adventure holiday options to 120 countries worldwide.



Chairman's Message

2012/2013 has been an important year for Cox & Kings Group, as it marked the first full year of operations since the acquisition of Holidaybreak plc, a leading specialist European education travel, camping and leisure business, in September 2011. We are extremely pleased with the performance of this business and are confident that we have brought into our fold a company with a resilient business model, strong brands, stable cash flow and run by a highly-experienced management team adept in steering the company through a challenging operating environment.

The Holidaybreak businesses comprise iconic brands, like PGL, NST, Eurocamp and Keycamp, operating for several decades and consistently delivering superior customer experience. In addition, Meininger, our European hotel chain catering to value seeking travellers such as student, youth travel and others is an exciting business with a high growth trajectory. The year gone by has made us very satisfied and has exceeded our expectations, about the quality of this business and its long-term prospects within its current operational markets and beyond. During the year, our confidence in the business was reaffirmed when

Citi Venture Capital International, a global private equity firm, decided to partner with us infusing fresh capital at the subsidiary level, the funds being utilized to reduce acquisition-related debt.

Our India business continues to be the other strong pillar for the Group, marching forward from strength-to-strength, in its bid to provide the Indian traveller with a unique travel experience, irrespective of their choice of holiday destination globally, creating lasting memories for them along the way. The India business saw another year of robust growth, and with the increased scale of business each year, we are confident that the journey for both Cox & Kings and the Indian travellers has only just begun. In addition to our growing presence in the Indian retail outbound market, we also witnessed strong performance in our retail domestic and MICE (both outbound and domestic) business, adding a further leg to the growth prospects of the India business.

We believe that as a Group, we are in better shape today than ever before with an excellent mix of growth and stability across both products and geographies. We also

