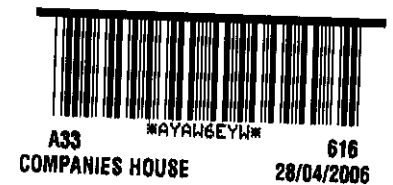


Superbreak Mini-Holidays Limited

Annual report and financial statements
for the year ended 30 September 2005

Registered number: 1674987



Directors' report

For the year ended 30 September 2005

The directors present their annual report on the affairs of the company, together with the financial statements and independent auditors' report, for the year ended 30 September 2005.

Principal activity and business review

The principal activity of the company continues to be that of a tour and travel operator.

The directors expect the current level of activity to improve.

Results and dividends

The audited financial statements for the year ended 30 September 2005 are set out on pages 7 to 17. The profit for the year after taxation was £11,571,311, (2004 - £12,376,490).

The directors recommend the payment of a dividend of £10,000,000, (2004 - £10,000,000).

The profit for the year of £11,571,311 (2004 - £12,376,490) has been transferred to reserves.

Directors and their interests

The directors who served during the year and thereafter were as follows:

M.C. Wray
N.P. Cust
F. Regan
I. P. Mounser
R.A.P. Jones
R.W. Atkinson (resigned 16 September 2005)
R.G. Baddeley
C.H Michel (appointed 16 September 2005)

Directors' interests in the share capital of the ultimate parent company, Holidaybreak plc were as follows:

	2005		2004	
	Number of 5p ordinary shares		Number of 5p ordinary shares	
	Beneficial	Options	Beneficial	Options
R.A.P. Jones	-	96,325	-	84,415
I.P. Mounser	2,824	68,409	-	65,938
F. Regan	6,617	72,230	5,037	65,984

Directors' report (continued)

Directors and their interests (continued)

The interests of those directors who are not also directors of the ultimate parent company in share options of Holidaybreak plc at 30 September 2005 were as follows:

	At 1 October 2004	Exercised	Granted	At 30 September 2005
1991 Executive Scheme				
F. Regan	<u>3,130</u>	<u>3,130</u>	<u>-</u>	<u>-</u>
1996 Unapproved Scheme ("A" Options)				
I.P. Mounser	<u>5,000</u>	<u>5000</u>	<u>-</u>	<u>-</u>
1996 Unapproved Scheme ("B" Options)				
R.A.P. Jones	73,854	-	13,322	87,176
I.P. Mounser	49,375	-	10,295	59,670
F. Regan	<u>53,988</u>	<u>-</u>	<u>8,853</u>	<u>62,841</u>
2001 Company Share Option Plan				
R.A.P. Jones	6,000	-	-	6,000
I.P. Mounser	6,371	-	-	6,371
F. Regan	<u>4,101</u>	<u>-</u>	<u>1,442</u>	<u>5,543</u>
2001 Savings Related Share Option Scheme				
R.A.P. Jones	4,561	1,412	-	3,149
I.P. Mounser	5,192	2,824	-	2,368
F. Regan	<u>4,765</u>	<u>1,580</u>	<u>661</u>	<u>3,846</u>

All other directors' shareholdings in Holidaybreak plc are disclosed in the financial statements of that company. None of the directors had any other interests which are required to be disclosed under Schedule 7 of the Companies Act 1985.

Further details of the schemes are disclosed in the financial statements of Holidaybreak plc.

Directors' report (continued)

Policy on disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Policy on employee involvement

The Company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings, regular briefings, the Company newsletter and circulation of results announcements and important public statements. Employees are consulted regularly on a wide range of matters affecting their current and future interests. Consultation takes place via Heads of Department. Permanent employees are, in the majority of cases, entitled to receive bonuses related to individual or team performance. All permanent UK employees of the Company are given the opportunity to join the Savings Related Share Option Scheme.

Creditor payment policy and number of days

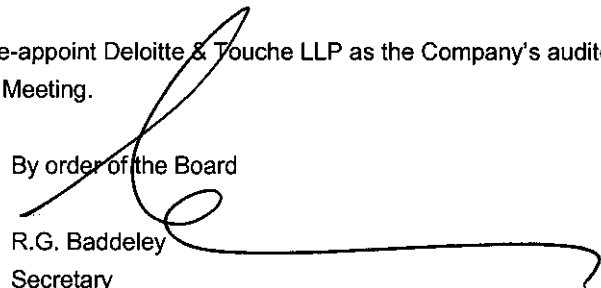
The Company's policy is to pay suppliers on terms agreed with each supplier. The Company had 45 trade creditor days outstanding as at 30 September 2005 (2004 – 45).

Auditors

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

60 Piccadilly
York
YO1 9WX

By order of the Board


R.G. Baddeley
Secretary

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

To the members of Superbreak Mini-Holidays Limited:

We have audited the financial statements of Superbreak Mini-Holidays Limited for the year ended 30 September 2005 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the statement of accounting policies and the related notes numbered 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 30 September 2005 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Manchester

6 APRIL 2006

Profit and loss account

For the year ended 30 September 2005

	Notes	2005 £	2004 £
Turnover		120,786,125	120,895,081
Cost of sales		(95,076,425)	(95,448,678)
Gross profit		25,709,700	25,446,403
Administrative expenses		(10,262,734)	(10,587,702)
Operating profit		15,446,966	14,858,701
Interest receivable and similar income		190,659	185,148
Interest payable – bank interest	4	(144,318)	-
Profit on ordinary activities before taxation	1	15,493,307	15,043,849
Tax on profit on ordinary activities	5	(3,921,996)	(2,667,359)
Profit on ordinary activities after taxation		11,571,311	12,376,490
Dividends proposed	6	(10,000,000)	(10,000,000)
Retained profit for the year	12,13	1,571,311	2,376,490

All activity arose from continuing operations.

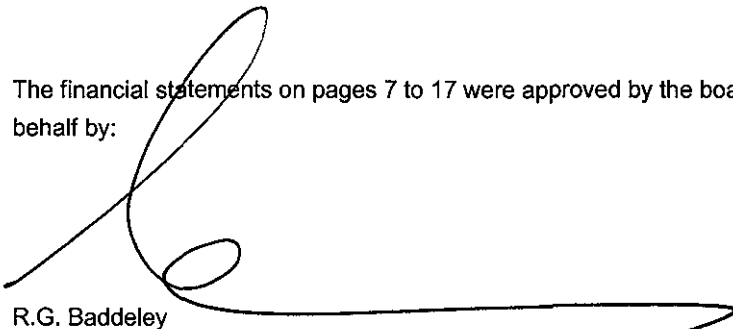
The company has no recognised gains or losses other than those included in the profits above and therefore no separate statement of total recognised gains or losses has been presented.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet
30 September 2005

	Notes	2005 £	2004 £
Fixed assets			
Investments	7	23,145,262	-
Goodwill	8	2,337,136	2,694,552
Tangible assets	9	962,900	1,109,357
		<u>26,445,298</u>	<u>3,803,909</u>
Current assets			
Debtors	10	58,078,556	62,622,404
Cash at bank and in hand		1,217,961	1,719,982
		<u>59,296,517</u>	<u>64,342,386</u>
Creditors: Amounts falling due within one year	11	<u>(63,109,309)</u>	<u>(47,085,100)</u>
Net current assets		<u>(3,812,792)</u>	<u>17,257,286</u>
Net assets		<u>22,632,506</u>	<u>21,061,195</u>
Capital and reserves			
Called-up share capital	12	10,000	10,000
Profit and loss account	13	22,622,506	21,051,195
Equity shareholders' funds	14	<u>22,632,506</u>	<u>21,061,195</u>

The financial statements on pages 7 to 17 were approved by the board of directors on 29 April 2006 and signed on its behalf by:


R.G. Baddeley
Director

The accompanying notes are an integral part of this balance sheet.

Statement of accounting policies

30 September 2005

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The company is a wholly owned subsidiary of Holidaybreak plc which prepares consolidated financial statements which are publicly available. The company on this basis is exempt from the requirement of FRS 1 "Cash Flow Statements" to present a cash flow statement.

Income recognition

Turnover represents the amounts receivable in the normal course of business for holidays sold, excluding VAT, together with commissions receivable for ancillary services. Income received prior to the period end in respect of services to be rendered in the following period is deferred to the following period. The turnover and pre-tax profit is wholly attributable to the business of tour and travel operations and arose in the UK.

Revenue and expenses relating to holidays are taken to the profit and loss account on holiday departure. Certain expenses such as the cost of brochure production and promotional material are charged to the profit and loss account over the season to which they relate to the extent that these costs are reasonably assured.

Leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pension costs

The company provides pensions to directors and employees through a funded defined contribution pension scheme. The assets of the scheme are held independently of the company by an insurance company. The amount charged to the profit and loss account is the contribution payable in the period.

Intangible assets – goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is assumed to be in a range of 5 to 20 years. It is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Statement of accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	-	Term of lease
Fixtures and fittings	-	25% per annum
Motor vehicles	-	25% per annum
Computer equipment	-	20% per annum

Brochure costs and inclusion fees

Costs directly incurred for the production of brochures less fees received for inclusion in brochures are written off over the season to which they relate.

Taxation

Current tax, including UK corporation tax and foreign 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Notes to the financial statements

30 September 2005

1 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2005 £	2004 £
Depreciation of tangible fixed assets	385,755	360,757
Amortisation of goodwill	357,416	357,416
Loss on disposal of fixed assets	33,089	-
Auditors' remuneration		
- audit work	22,700	21,500
- non-audit work	3,000	1,500
Staff costs (see note 2)	4,703,244	5,048,962
Operating lease rentals		
- plant and machinery	83,854	88,035
- other	166,049	141,387

2 Staff costs

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

	2005 Number	2004 Number
Operations, sales and marketing	257	276
Accounts	16	16
	<u>273</u>	<u>292</u>

Their aggregate remuneration comprised:

	2005 £	2004 £
Wages and salaries	4,087,870	4,333,916
Social security costs	368,341	357,078
Other pension costs	247,033	357,968
	<u>4,703,244</u>	<u>5,048,962</u>

Notes to the financial statements (continued)

30 September 2005

3 Directors' remuneration and transactions

Remuneration

The remuneration of directors was as follows:

	2005 £	2004 £
Emoluments	619,556	735,156
Company contributions to money purchase pension schemes	183,015	310,582
	<u>802,571</u>	<u>1,045,738</u>

Highest paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	2005 £	2004 £
Emoluments	144,370	183,693
Company contributions to money purchase pension schemes	76,834	126,858
	<u>221,204</u>	<u>310,551</u>

Pension contributions for five directors (2004 - five directors) were paid to money purchase schemes.

4 Interest receivable and similar income

	2005 £	2004 £
Interest receivable and similar income	<u>190,659</u>	<u>185,148</u>

5 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and comprises:

	2005 £	2004 £
Current taxation		
UK corporation tax	3,921,996	3,860,241
Adjustments in respect of prior years	-	(1,192,882)
Total tax charge for the year	<u>3,921,996</u>	<u>2,667,359</u>

Notes to the financial statements (continued)

30 September 2005

5 Tax on profit on ordinary activities (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:-

	2005 £	2004 £
Profit on ordinary activities before tax	<u>15,493,307</u>	<u>15,043,849</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2004 – 30%)	4,647,992	4,513,155
Effect of:		
Expenses not deducted for tax purposes	21,161	16,796
Capital allowances in excess of depreciation	26,643	(1,291)
Non deductible goodwill	35,225	35,225
Adjustments to tax charge in respect of previous periods	-	(1,192,882)
Losses available through group relief	(705,053)	(656,240)
Other permanent differences	<u>(103,972)</u>	<u>(47,404)</u>
	<u>3,921,996</u>	<u>2,667,359</u>

6 Dividends proposed

	2005 £	2004 £
Final dividend proposed of £100 per ordinary share (2004 - £100)	<u>10,000,000</u>	<u>10,000,000</u>

Notes to the financial statements (continued)

30 September 2005

7 Investments

	£
Cost and net book value at 1 October 2004	-
Transfer from group undertaking	23,418,438
Foreign exchange movement	(273,176)
At 30 September 2005	<u>23,145,262</u>

During the year the company purchased 100% of the ordinary share capital of Business Reservations Centre Holland Holding BV and its subsidiaries for £23,418,438 from Holidaybreak plc.

Subsidiary	% of ordinary share capital	Country of registration
Business Reservation Centre Holland Holding BV	100	Netherlands
Business Reservation Centre Holland BV	100*	Netherlands
Bookit BV	100*	Netherlands
BV Weekendjeweg.nl	100*	Netherlands

* held indirectly

8 Goodwill

	£
Cost	
At beginning and end of year	<u>5,741,574</u>
Amortisation	
At beginning of year	3,047,022
Charge for the year	<u>357,416</u>
At end of year	<u>3,404,438</u>
Net book value	
At 30 September 2005	<u>2,337,136</u>
At 30 September 2004	<u>2,694,552</u>

Notes to the financial statements (continued)

30 September 2005

9 Tangible fixed assets

	Leasehold Improvements £	Fixtures and fittings £	Motor vehicles £	Computer Equipment £	Total £
Cost					
At beginning of year	191,555	426,783	179,131	1,976,915	2,774,384
Additions	-	32,906	76,215	189,319	298,440
Disposals	-	(34,912)	(74,015)	(391,296)	(500,223)
At end of year	191,555	424,777	181,331	1,774,938	2,572,601
Depreciation					
At beginning of year	81,419	261,290	76,982	1,245,336	1,665,027
Charge for the year	35,288	63,996	33,231	253,240	385,755
Disposals	-	(28,260)	(46,810)	(366,011)	(441,081)
At end of year	116,707	297,026	63,403	1,132,565	1,609,701
Net book value					
At 30 September 2004	110,136	165,493	102,149	731,579	1,109,357
At 30 September 2005	74,848	127,751	117,928	642,373	962,900

10 Debtors

	2005 £	2004 £
Amounts falling due within one year:		
Trade debtors	6,401,822	8,002,011
Amounts owed by group undertakings	45,674,319	50,028,651
Other debtors	4,280,083	3,400,863
Prepayments and accrued income	1,722,332	1,190,879
	58,078,556	62,622,404

Notes to the financial statements (continued)

30 September 2005

11 Creditors: Amounts falling due within one year

	2004 £	2004 £
Amounts owed to group undertakings	1,990	4,000,000
Trade creditors	30,002,753	31,651,769
UK corporation tax	1,924,504	1,960,746
Bank loan	22,831,651	-
Other taxation and social security	1,225,746	1,428,696
Other creditors	627,246	396,183
Accruals and deferred income	6,495,419	7,647,706
	<u>63,109,309</u>	<u>47,085,100</u>

The bank loan is secured by a fixed and floating charge over the company's assets.

12 Called-up share capital

	2005 £	2004 £
<i>Authorised</i>		
500,000 ordinary shares of 10p each	<u>50,000</u>	<u>50,000</u>
<i>Allotted, called-up and fully paid</i>		
100,000 ordinary shares of 10p each	<u>10,000</u>	<u>10,000</u>

13 Reserves

	Profit and loss account £
At 1 October 2004	21,051,195
Profit for the year	<u>1,571,311</u>
At 30 September 2005	<u>22,622,506</u>

14 Reconciliation of movements in equity shareholders' funds

	2005 £	2004 £
Profit on ordinary activities after taxation	11,571,311	12,376,490
Dividends proposed	<u>(10,000,000)</u>	<u>(10,000,000)</u>
Net addition to equity shareholders' funds	1,571,311	2,376,490
Opening equity shareholders' funds	<u>21,061,195</u>	<u>18,684,705</u>
Closing equity shareholders' funds	<u>22,632,506</u>	<u>21,061,195</u>

Notes to the financial statements (continued)

30 September 2005

15 Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	2005		2004	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiry date				
- within one year	-	41,021	-	9,816
- between two and five years	172,150	19,512	172,150	52,073
	<u>172,150</u>	<u>60,533</u>	<u>172,150</u>	<u>61,889</u>

The company leases certain premises on short term leases. The rents payable under these leases are subject to renegotiation at various intervals specified in the leases. The company pays all insurance, maintenance and repairs in respect of these properties.

The company leases certain vehicles on short term leases. The charges payable under these leases are fixed and the company is responsible for the insurance of the vehicles.

16 Contingent liabilities

The company has authorised its bankers to issue a bank guarantee for £130,000 (2004 - £130,000) in favour of the Rail Settlement Plan Limited.

The company and its parent company are party to a composite accounting agreement, allowing the off-set of cash and overdraft balances.

17 Ultimate parent company

The directors regard Holidaybreak plc, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party. The immediate parent company is Superbreak Mini Holidays Group Limited, a company incorporated in England and Wales.

Holidaybreak plc is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from Holidaybreak plc, Hartford Manor, Greenbank Lane, Northwich, Cheshire CW8 1HW.

As a subsidiary undertaking of Holidaybreak plc, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Holidaybreak plc.