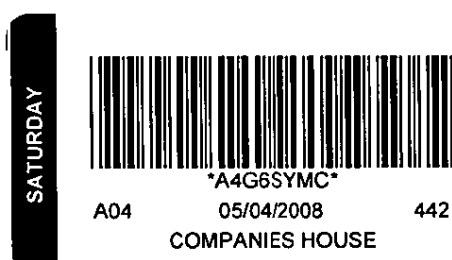


Superbreak Mini-Holidays Limited

Annual report and financial statements
for the year ended 30 September 2007

Registered number 1674987



Directors' report

For the year ended 30 September 2007

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 2007

Principal activity and business review

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

Review of developments and future prospects

Superbreak turnover increased by 7.4% to £123.8m (2006 £115.3m)

Superbreak sells hotel breaks through 3 main brands in the UK – Superbreak, The Luxury Hotel Collection and Hotelbreaks. Superbreak has a portfolio of 1800 hotels in the UK and over 4200 hotels overseas. In addition to this Superbreak has developed a range of “packaged breaks” that incorporate specific add-ons and differentiate its product from other online and leisure break providers. These represent about 40% of Superbreak's business. The packaged extras include theatre tickets, rail travel and leisure attractions.

Superbreak sell through retail travel agencies and has received several awards from the Travel agent market including Best Operator UK Short-breaks at the Travel Weekly Globe awards and Best UK Short-breaks Operator at the British Travel Awards. Superbreak also sell directly to customers through their call centre and online both direct and through commissionable affiliate websites.

Superbreak will continue to grow its business by developing brands and products organically, by acquisition of appropriate specialists and through developing marketing relationships with partners and online. During the year the company has made a number of acquisitions as detailed in notes 7 to 9.

The Holidaybreak plc Group manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Hotel Breaks division which includes the company is discussed in the Holidaybreak plc annual report which does not form part of this report.

Principal Risks and Uncertainties

The directors of Holidaybreak plc manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the directors of Superbreak Mini-Holidays Limited believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of Superbreak Mini-Holidays Limited business. The principal risks and uncertainties of Holidaybreak plc, which include those of the company are in Holidaybreak plc's annual report, which does not form part of this report.

Directors' report (continued)

Results

The audited financial statements for the year ended 30 September 2007 are set out on pages 7 to 17. The profit for the year after taxation and pre-dividends was £8,827,001 (2006 - £9,550,030)

Dividends

The directors paid dividends in the year amounting to £10,000,000, which makes a total for the year of £100 per ordinary share (2006 - £10,000,000, £100 per ordinary share)

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 G Baddeley

C H Michel

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 2007 (2006 - 45)

Directors' report (continued)

Information to auditors

In the case of each of the persons who are directors of the company at the date when this report was approved

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with s234ZA of the Companies Act 1985

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 By order of the Board
York
YO1 9WX



A D Williamson
Secretary

28 March 2008

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards 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 proper accounting records that 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 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 2007 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 1 to 18. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report (continued)

Basis of audit opinion (continued)

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.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Manchester

United Kingdom

31 March 2008

Profit and loss account

For the year ended 30 September 2007

	Notes	2007 £	2006 £
Turnover		123,821,630	115,309,626
Cost of sales		(98,227,277)	(91,022,176)
Gross profit		25,594,353	24,287,450
Administrative expenses		(11,352,676)	(9,817,225)
Operating profit		14,241,677	14,470,225
Interest receivable and similar income	4	335,290	225,081
Interest payable – bank interest		(1,076,371)	(795,254)
Profit on ordinary activities before taxation	1	13,500,596	13,900,052
Tax on profit on ordinary activities	5	(4,673,595)	(4,350,022)
Profit on ordinary activities after taxation	14,15	8,827,001	9,550,030

All activity arose from continuing operations

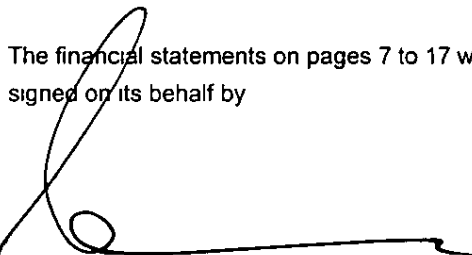
The company has no recognised gains or losses other than those included in the profit and loss accounts above and therefore no separate statement of total recognised gains and losses has been presented

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

Balance sheet
30 September 2007

	Notes	2007 £	2006 £
Fixed assets			
Investments	7	26,961,253	23,042,263
Goodwill	8	2,876,054	2,213,470
Tangible assets	9	<u>1,197,805</u>	<u>873,875</u>
		31,035,112	26,129,608
Current assets			
Stock	10	1,100,000	-
Debtors	11	58,792,824	59,712,003
Cash at bank and in hand		<u>2,612,485</u>	<u>2,660,707</u>
		62,505,309	62,372,710
Creditors Amounts falling due within one year	12	<u>(72,530,884)</u>	<u>(66,319,782)</u>
Net current liabilities		<u>(10,025,575)</u>	<u>(3,947,072)</u>
Net assets		<u>21,009,537</u>	<u>22,182,536</u>
Capital and reserves			
Called-up share capital	13	10,000	10,000
Profit and loss account	14	<u>20,999,537</u>	<u>22,172,536</u>
Shareholders' funds	15	<u>21,009,537</u>	<u>22,182,536</u>

The financial statements on pages 7 to 17 were approved by the board of directors on 28 March 2008 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

For the year ended 30 September 2007

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.

Investments

Investments are held at cost, less provision for impairment.

Statement of accounting policies (continued)

For the year ended 30 September 2007

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

Stock

Stock represents show and travel tickets held by the Company for resale. Stock is valued at the lower of cost and net realisable value, after making due allowances for slow moving and obsolete items.

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.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at the date or, if appropriate, at the forward contract rate.

Exchange differences arising on translation of the opening net assets and on foreign currency borrowings, to the extent that they hedge the group's investment in such operations, are reported in the statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account.

Notes to the financial statements

For the year ended 30 September 2007

1 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting)

	2007 £	2006 £
Depreciation of tangible fixed assets	411,287	402,252
Amortisation of goodwill	637,416	398,666
(Profit) on disposal of fixed assets	(7,791)	(7,813)
Auditors' remuneration		
- audit work	24,000	24,000
Staff costs (see note 2)	5,628,816	4,717,556
Operating lease rentals		
- plant and machinery	59,302	81,746
- other	173,541	173,221

Fees paid to Deloitte & Touche LLP and their associates for services other than the statutory audit of the company are not required to be disclosed since the consolidated accounts of the parent company, Holidaybreak plc, disclosed non-audit fees on a consolidated basis

2 Staff costs

The average monthly number of employees (including directors) was

	2007 Number	2006 Number
Operations, sales and marketing	262	233
Accounts	17	16
	<u>279</u>	<u>249</u>

Their aggregate remuneration comprised

	2007 £	2006 £
Wages and salaries	4,754,268	4,045,646
Social security costs	439,465	371,984
Other pension costs	435,083	299,926
	<u>5,628,816</u>	<u>4,717,556</u>

Notes to the financial statements (continued)

For the year ended 30 September 2007

3 Directors' remuneration and transactions

Remuneration

The remuneration of directors was as follows

	2007 £	2006 £
Emoluments	590,196	581,218
Company contributions to money purchase pension schemes	336,911	237,142
	<u>927,107</u>	<u>818,360</u>

Highest paid director

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

	2007 £	2006 £
Emoluments	120,966	120,000
Company contributions to money purchase pension schemes	127,874	89,906
	<u>248,840</u>	<u>209,906</u>

Pension contributions for five directors (2006 - five) were paid to money purchase schemes

4 Interest receivable and similar income

	2007 £	2006 £
Interest receivable and similar income	<u>335,290</u>	<u>225,081</u>

5 Tax on profit on ordinary activities

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

	2007 £	2006 £
Current taxation		
UK corporation tax	4,080,156	4,108,758
Adjustments in respect of prior years	600,267	241,264
Total tax charge for the year	<u>4,680,423</u>	<u>4,350,022</u>
Deferred tax		
Current tax	(6,828)	-
	<u>4,673,595</u>	<u>4,350,022</u>

Notes to the financial statements (continued)

For the year ended 30 September 2007

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 -

	2007 £	2006 £
Profit on ordinary activities before tax	13,500,596	13,900,052
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2006 – 30%)	4,050,179	4,170,015
Effect of		
Expenses not deducted for tax purposes		14,791
Capital allowances (in excess of) less than depreciation	8,832	24,081
Non deductible goodwill	102,725	35,150
Other permanent differences	(81,580)	(135,279)
Adjustment in respect of prior years	600,267	241,264
	<u>4,680,423</u>	<u>4,350,022</u>

6 Dividends

	2007 £	2006 £
Final dividend paid of £100 per ordinary share (2006 - £100)	<u>10,000,000</u>	<u>10,000,000</u>

Notes to the financial statements (continued)

For the year ended 30 September 2007

7 Investments

	£
Cost and net book value at 1 October 2006	23,042,263
Foreign exchange movement	568,973
Additions	3,350,017
At 30 September 2007	<u>26,961,253</u>

During the year the company purchased 100% of the share capital of West End Theatre Bookings Limited for £3,350,017, including £600,000 deferred consideration

Details of the subsidiary undertakings all 100% owned are as follows

Company direct holdings	Country of incorporation and operation	Nature of business
West End Theatre Bookings Limited	England	Ticket agency
BRC Holland BV	Holland	Tour and travel operator
Bookit BV	Holland	Tour and travel operator
BV Weekendjeweg nl	Holland	Tour and travel operator

Consolidated financial statements for the company and its subsidiaries have not been prepared because the company is itself a wholly owned subsidiary of another company which is registered in England and Wales

8 Goodwill

	£
Cost	
At beginning of year	6,016,574
Additions	1,300,000
At end of year	<u>7,316,574</u>
Amortisation	
At beginning of year	3,803,104
Charge for the year	637,416
At end of year	<u>4,440,520</u>
Net book value	
At 30 September 2007	2,876,054
At 30 September 2006	<u>2,213,470</u>

During the year the company acquired the trade of Highlife and Embassy for £1,000,000 and £300,000 respectively

Notes to the financial statements (continued)

For the year ended 30 September 2007

9 Tangible fixed assets

	Leasehold Improvements £	Fixtures and fittings £	Motor vehicles £	Computer Equipment £	Total £
Cost					
At beginning of year	196,055	439,961	212,197	2,011,572	2,859,785
Additions	-	8,651	76,079	684,718	769,448
Disposals	-	-	(89,165)	-	(89,165)
At end of year	196,055	448,612	199,111	2,696,290	3,540,068
Depreciation					
At beginning of year	152,744	358,727	82,267	1,392,172	1,985,910
Charge for the year	35,738	43,114	40,769	291,666	411,287
Disposals	-	-	(54,934)	-	(54,934)
At end of year	188,482	401,841	68,102	1,683,838	2,342,263
Net book value					
At 30 September 2007	7,573	46,771	131,009	1,012,452	1,197,805
At 30 September 2006	43,311	81,234	129,930	619,400	873,875

10 Stocks

	2007 £	2006 £
Goods for resale	1,100,000	-

11 Debtors

	2007 £	2006 £
Amounts falling due within one year		
Trade debtors	9,838,097	7,446,221
Amounts owed by group undertakings	37,524,355	43,714,574
Other debtors	8,248,034	6,343,373
Prepayments and accrued income	3,175,510	2,207,835
Deferred tax (see below)	6,828	-
	58,792,824	59,712,003

	2007 £	2006 £
Deferred tax		
Balance at start of year	-	-
Credit to profit and loss account	6,828	-
Balance at end of year	6,828	-

Deferred tax of £6,828 (2006 £nil) relates wholly to accelerated capital allowances

Notes to the financial statements (continued)

For the year ended 30 September 2007

12 Creditors Amounts falling due within one year

	2007 £	2006 £
Amounts owed to group undertakings	-	5,840
Trade creditors	34,258,621	31,782,518
UK corporation tax	2,782,761	2,052,023
Bank loan	23,297,625	22,728,652
Other taxation and social security	1,006,613	1,022,947
Other creditors	671,945	750,091
Accruals and deferred income	10,513,319	7,977,711
	<u>72,530,884</u>	<u>66,319,782</u>

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

Accruals and deferred income include £600,000 of deferred consideration in relation to the acquisition detailed in note 7

13 Called-up share capital

	2007 £	2006 £
<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>

14 Reserves

	Profit and loss account £
At 1 October 2006	22,172,536
Profit for the year	8,827,001
Dividends	<u>(10,000,000)</u>
At 30 September 2007	<u>20,999,537</u>

15 Reconciliation of movements in equity shareholders' funds

	2007 £	2006 £
Profit on ordinary activities after taxation	8,827,001	9,550,030
Dividends paid	<u>(10,000,000)</u>	<u>(10,000,000)</u>
Net (reduction) in equity shareholders' funds	(1,172,999)	(449,970)
Opening equity shareholders' funds	<u>22,182,536</u>	<u>22,632,506</u>
Closing equity shareholders' funds	<u>21,009,537</u>	<u>22,182,536</u>

Notes to the financial statements (continued)

For the year ended 30 September 2007

16 Financial commitments

Annual commitments under non-cancellable operating leases are as follows

	2007		2006	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiry date				
- within one year	86,800	8,460	-	11,052
- between two and five years	-	60,304	172,150	51,844
- greater than five years	285,000	-	-	-
	<u>371,800</u>	<u>68,764</u>	<u>172,150</u>	<u>62,896</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.

17 Contingent liabilities

The company has authorised its bankers to issue a bank guarantee for £199,599 (2006 - £199,599) in respect of the companies trading activities.

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

18 Ultimate parent company and controlling party

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.