

Registered number
2183801

Travelcoast Limited
Report and Accounts
Year ended 30 September 2005



Travelcoast Limited
Report and accounts
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Travelcoast Limited
Company Information

Directors

M Jones

D Howell (appointed 1 November 2004) (resigned 3 March 2005)

S Watkins (appointed 1 November 2004) (resigned 28 October 2005)

I McCaig (appointed 25 February 2005)

B Hoberman (appointed 25 February 2005)

E Kamm (appointed 28 October 2005)

D Tassone (appointed 28 October 2005)

Secretary

S Watkins (appointed 1 November 2004) (resigned 28 October 2005)

I Lindsay (appointed 28 October 2005)

Auditors

Ernst & Young LLP

1 More London Place

London

SE1 2AF

Bankers

The Royal Bank of Scotland plc

9th floor, 280 Bishopsgate

London

EC2M 4RB

Registered office

39 Victoria Street

London

SW1H 0EE

Registered number

2183801

Travelcoast Limited

Directors' Report

The directors present their report and accounts for the year ended 30 September 2005.

Principal activities and review of the business

The Company's principal activity during the year continued to be that of a retail travel agent in the UK and a tour operator.

With effect from 20 July 2005 the ultimate parent company is Sabre Holdings Corporation a company incorporated in the United States whose registered office is situated at 3150 Sabre Drive, South Lake, Texas, USA.

Results and dividends

The loss for the year, after taxation, amounted to £1,214,000 (11 months to 30 September 2004: Profit £815,000). The directors do not recommend a final ordinary dividend (2004: nil), leaving a loss of £1,214,000 (11 months to 30 September 2004: Profit £815,000) to be retained.

Events since the balance sheet date

No significant event has occurred since the balance sheet date.

Directors

The directors who served during the year were as follows:

M Jones

D Howell (resigned 3 March 2005)

S Watkins (resigned 28 October 2005)

I McCaig (appointed 25 February 2005)

B Hoberman (appointed 25 February 2005)

E Kamm and D Tassone were appointed directors of the Company on 28 October 2005.

Directors Interests

During the year, the shares of lastminute.com plc were acquired by Travelocity Europe Limited (a wholly-owned subsidiary of Sabre Holdings Corporation) on 20 July 2005. Further to the acquisition, none of the directors hold shares in the UK parent company and all related share schemes have been cancelled.

Travelcoast Limited

Directors' Report

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those accounts, 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

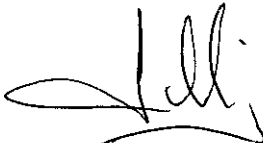
The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

On 30th March 2005 the Company passed an elective resolution to dispense with the requirements for the holding of an annual general meeting, the laying of accounts and reports before the Company in general meetings and the obligation to appoint auditors annually in accordance with the terms of s366A, s252 and s386 of the Companies Act 1985 respectively.

This report was approved by the board on 29 March 2006

Director
I McCaig



Travelcoast Limited

Independent auditors' report to the shareholders of Travelcoast Limited

We have audited the accounts of Travelcoast Limited for the year ended 30 September 2005 which comprise Profit and Loss account, Balance Sheet and related notes 1 to 19. These accounts have been prepared under the historical cost convention and 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 within it.


Basis of audit 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

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



Ernst & Young LLP
Registered auditors

1 More London Place
London
SE1 2AF

29 MAR 2006

Travelcoast Limited
Profit and Loss Account
for the year ended 30 September 2005

	Notes	Year to 30 Sept 2005 £'000	11 months to 30 Sept 2004 £'000
Total Transaction Value (TTV)	2	<u>69,896</u>	<u>62,071</u>
TURNOVER	2	5,297	8,218
Selling & distribution costs		(2,286)	(5,645)
Administrative expenses		(4,772)	(1,823)
Other operating income		415	-
Operating (loss)/profit	3	<u>(1,346)</u>	<u>750</u>
Interest receivable		132	67
Interest payable	6	-	(2)
(Loss)/profit on ordinary activities before taxation		<u>(1,214)</u>	<u>815</u>
Tax on (loss)/profit on ordinary activities	7	-	-
(Loss)/profit for the financial year		<u>(1,214)</u>	<u>815</u>
Retained (loss)/profit for the financial year	13	<u>(1,214)</u>	<u>815</u>

All activities are derived from continuing operations.

There are no recognised gains or losses in either period other than the (loss)/profit for that period.

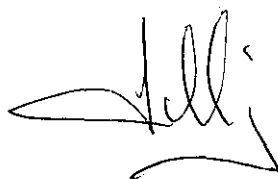
Total Transaction Value does not represent the company's statutory turnover.

Travelcoast Limited
Balance Sheet
as at 30 September 2005

	Notes	2005 £'000	2004 £'000
Fixed assets			
Tangible assets	8	3	7
Current assets			
Debtors	9	8,622	3,725
Cash at bank and in hand		4,159	8,435
		<u>12,781</u>	<u>12,160</u>
Creditors: amounts falling due within one year	10	(11,987)	(10,226)
Net current assets		<u>794</u>	<u>1,934</u>
Total assets less current liabilities		<u>797</u>	<u>1,941</u>
Provisions for liabilities and charges			
Other provisions	11	(70)	-
Net Assets		<u>727</u>	<u>1,941</u>
Capital and reserves			
Called up share capital	12	620	620
Profit and loss account	13	107	1,321
Shareholders' funds	14	<u>727</u>	<u>1,941</u>

These financial statements were approved by the Board of Directors on 29 March 2006

Director
I McCaig



Travelcoast Limited
Notes to the Accounts
for the year ended 30 September 2005

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

The directors consider it is appropriate to prepare the financial statements on a going concern basis because the Company's ultimate parent undertaking has undertaken to provide the Company with continuing financial support for a period of not less than 12 months from the date of these financial statements to the extent that the Company is unable to meet its obligations itself.

Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	over the lease term
Plant and machinery	over 3 years
Computer software and equipment	over 2 / 3 years

Deferred taxation

Deferred tax assets are recognised only to the extent that the assets are expected to be realised, either in cash terms or by the mitigation of future liabilities, in the foreseeable future. Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Travelcoast Limited
Notes to the Accounts
for the year ended 30 September 2005

1 Accounting policies (continued)

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

Turnover represents the amount of revenue from travel products provided to the customer, excluding value added tax, and is recognised in full when a booking is made. Where the Company acts as principal and purchases the products or services for resale, turnover represents the invoice price at which the products or services have been sold to the customer. Where the Company acts as agent and does not take ownership of the products or services being sold, turnover represents commission earned. Turnover and pre-tax profit are attributable to the principal activity and are earned predominantly within the United Kingdom, notwithstanding the Company's activities as a travel agent are predominantly for destinations overseas.

In cases where customers have the ability to cancel and obtain refunds after ticketing, the Company is able to estimate its refund obligations and such obligations are accounted for.

The 2004 value has been restated to separate other operating income to allow for greater comparison to current year numbers. This has not resulted in a change to the profit of 2004.

Total Transaction Value (TTV) - TTV, which is stated net of value added tax, does not represent the Company's statutory turnover. TTV represents the invoice price at which the goods or services have been sold to the customer.

3 Operating (loss)/profit	Year to 30 Sept 2005 £'000	11 months to 30 Sept 2004 £'000
This is stated after charging:		
Depreciation of owned fixed assets	4	15
Operating lease rentals - plant and machinery	-	25
Operating lease rentals - land buildings	162	150
Loss on disposal of fixed assets	-	41
Profit on disposal of business operation	(38)	-
	<hr/>	<hr/>

The auditors remuneration has been borne by other group companies. No amounts were payable to Ernst & Young LLP for non-audit services during the current or previous year.

During the year Travelcoast disposed of its Captivating Cuba operations resulting in a profit on disposal of £38,000.

Travelcoast Limited
Notes to the Accounts
for the year ended 30 September 2005

4 Staff costs	Year to 30 Sept 2005 £'000	11 months to 30 Sept 2004 £'000
Wages and salaries	1,539	1,676
Social security costs	139	158
Other pension costs	1	-
	<u>1,679</u>	<u>1,834</u>

Average number of employees during the year	Number	Number
Selling and distribution	<u>80</u>	<u>78</u>

5 Directors' Remuneration

The directors received no remuneration for their services in respect of the company in either the current or preceding year.

6 Interest payable	Year to 30 Sept 2005 £'000	11 months to 30 Sept 2004 £'000
Bank loans and overdrafts	<u>-</u>	<u>2</u>

7 Taxation	Year to 30 Sept 2005 £'000	11 months to 30 Sept 2004 £'000
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Analysis of charge in period

Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
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Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	Year to 30 Sept 2005 £'000	11 months to 30 Sept 2004 £'000
(Loss)/profit on ordinary activities before tax	<u>(1,214)</u>	<u>815</u>
Standard rate of corporation tax in the UK	30%	30%
	£'000	£'000
(Loss)/Profit on ordinary activities multiplied by the standard rate of corporation tax	(364)	245
Effects of:		
Expenses not deductible for tax purposes	(11)	(1)
Capital allowances for period in excess of depreciation	12	(4)
Utilisation of group relief	-	(220)
Group relief claimed for which no payment is made	328	(20)
Capital transactions	35	
Current tax charge for period	<u>-</u>	<u>-</u>

Travelcoast Limited
Notes to the Accounts
for the year ended 30 September 2005

7 Taxation (continued)

Factors that may affect future tax charges

Future tax charges will be affected by the continued availability of group relief.

8 Tangible fixed assets

	Short leasehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At 1 October 2004	7	6	13
At 30 September 2005	7	6	13
Depreciation			
At 1 October 2004	2	4	6
Charge for the year	3	1	4
At 30 September 2005	5	5	10
Net book value			
At 30 September 2005	2	1	3
At 30 September 2004	5	2	7

9 Debtors

	2005 £'000	2004 £'000
Trade debtors	1,330	1,668
Amounts owed by group undertakings	7,111	576
Other debtors	65	80
Prepayments and accrued income	116	1,401
	8,622	3,725

10 Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Trade creditors	8,422	9,223
Amounts owed to group undertakings	3,392	480
Other taxes and social security costs	31	-
Other creditors	-	105
Accruals and deferred income	142	418
	11,987	10,226

Travelcoast Limited
Notes to the Accounts
for the year ended 30 September 2005

11 Provisions for liabilities and charges

	£'000
At 1 October 2004	-
Additional provisions made during the period	
- Onerous lease	70
At 30 September 2005	<u>70</u>

The provision for the onerous lease relates to the net anticipated rental commitments under the terms of the lease currently not required by group companies.

12 Share capital

	2005 £'000	2004 £'000
Authorised:		
Ordinary shares of £1 each	<u>620</u>	<u>620</u>
	2005 No 000	2004 No 000
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>620</u>	<u>620</u>

13 Profit and loss account

	2005 £'000	2004 £'000
Balance brought forward	1,321	506
Retained (loss)/profit	(1,214)	815
Balance carried forward	<u>107</u>	<u>1,321</u>

14 Reconciliation of movement in shareholders' funds

	2005 £'000	2004 £'000
Balance brought forward	1,941	1,126
(Loss)/profit for the financial year	(1,214)	815
Balance carried forward	<u>727</u>	<u>1,941</u>

15 Cashflow statement

The Company has taken advantage of Financial Reporting Standard 1 which exempts wholly owned subsidiaries from preparing a cashflow statement. The UK parent company lastminute.com limited (formerly lastminute.com plc), has included the required consolidated cashflow statement within its consolidated financial statements.

Travelcoast Limited
Notes to the Accounts
for the year ended 30 September 2005

16 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2005 £'000	Land and buildings 2004 £'000
Operating leases which expire:		
<i>within one year</i>	127	-
<i>within two to five years</i>	37	127
<i>in over five years</i>	-	37
	<hr/> 164	<hr/> 164

17 Contingent liabilities

The Company has entered into cross-guarantee and indemnity arrangements with the Group's bankers for the provision of various bonds and guarantees given by the bank to the Company and other group companies to a maximum of £37.4m (2004: £36.1m).

18 Related parties

The Company has taken advantage of exemptions under Financial Reporting Standard 8 from disclosing related party transactions with other group undertakings as the results are consolidated in the ultimate UK holding company accounts.

19 Ultimate parent undertaking

The immediate parent company is Online Travel Corporation Limited, a company incorporated in England and Wales. The ultimate holding company is Sabre Holdings Corporation, a company incorporated in the United States of America.

The smallest group in which the results of Travelcoast Limited are consolidated is lastminute.com limited (formerly lastminute.com plc) a company incorporated in England and Wales. The largest group for which consolidated financial statements are prepared is Sabre Holdings Corporation, a company incorporated in the United States. Copies of the group financial statements of Sabre Inc are available from 3150 Sabre Drive, Southlake, Texas, USA.