

Registered number
02665126

All-Hotels Limited
Report and financial statements
for the year ended 31 December 2008

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All-Hotels Limited
Report and financial statements
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All-Hotels Limited
Company information

Directors

E Kamm
I McCaig
J Donaldson
S Thompson

Secretary

I Lindsay

Auditor

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
London Thames Valley Office
Slough
SL1 2LS

Registered office

39 Victoria Street
London
SW1H 0EU

Registered number

02665126

All-Hotels Limited

Directors' report

The directors present their report and financial statements for the year ended 31 December 2008.

Principal activities and review of the business

The Company's principal activities during the year continued to be the provision of hotel reservation services through the internet. The Company operates in the United Kingdom.

The results for the Company show turnover of £809,000 (2007: £1,475,000) and net profit after tax of £81,000 (2007: £575,000).

The Company's key financial performance indicators during the year were as follows:

	2008	2007
	£000	£000
TTV	6,985	10,420
Profit after tax	81	575
Shareholders' deficit	(439)	(520)

During 2008 the Company has faced increased competition in very challenging market conditions.

Principal risks and uncertainties

The key business risks affecting the Company are world events that influence consumer travel, competition from other travel companies, exposure to changes in foreign currency rates and other macro-economic changes. Other business risks include fluctuating fuel prices, product supply and availability, technological stability and the ability to provide reliable, real-time access to our systems for our customers and suppliers.

Future developments

The directors intend that the company will continue with its current activities in the future.

Events since the balance sheet date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in financial years subsequent to the financial period ended 31 December 2008.

Directors

The directors who served during the period, and subsequently, are as follows:

E Kamm

I McCaig

D Tassone (resigned 6 February 2008)

J Bevan (resigned 15 October 2008)

M Ross (appointed 20 February 2008 and resigned 31 October 2008)

J Donaldson (appointed 31 October 2008)

S Thompson (appointed 31 October 2008)

All-Hotels Limited
Directors' report

Employee policy and involvement

The Company's human resources strategy is to attract and retain the very best people in all areas of the Company. We will continue to do this through competitive and innovative performance related remuneration, providing the opportunity for our people to develop, and building an inspiring environment where each individual is invited to contribute to their maximum potential.

The human capital of the Company is key to the continuing success and significant importance is placed on the contributions of employees. Employees benefit from the Company's performance through bonus schemes aligned to both Company targets and individual contribution.

Strong employee relations are built by the management team. Employees are kept informed of developments in the Company by way of the widely used company intranet, 'the Matrix', and regular local updates and presentations.

The Company does not discriminate on any grounds other than ability. It is Company policy to consider fully, applications for employment by disabled persons, bearing in mind the aptitude of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure their continued employment.

Supplier payment policy

The Company agrees upon payment terms and conditions with individual suppliers, which vary according to the commercial relationship and the terms of the agreements reached, and establish terms of trade consistent with practice in its country of operation.

Disclosure of information to the auditor

In so far as the directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware;
- the directors have taken all steps that they ought to have taken to make themselves aware of all relevant audit information and to establish that the auditor is aware of that information.

Auditor

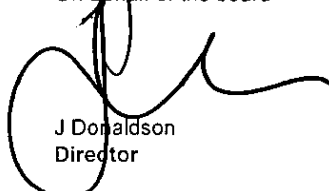
Grant Thornton UK LLP were appointed as auditor on 1 May 2009 to fill a casual vacancy in accordance with Section 388(1) of the Companies Act 1985.

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the Company receives notice under Section 288(1) of the Companies Act 2006.

Liability Limitation Agreement with the auditor

The directors propose that the Company enter into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 31 December 2008. The proportionate liability agreement follows the standard terms in the Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and was approved by the shareholders on 29 May 2009.

On behalf of the board



J Donaldson
Director

10 June 2009

All-Hotels Limited

Statement of directors' responsibilities

The directors are responsible for preparing the 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 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 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

All-Hotels Limited

Independent Auditor's report to the members

We have audited the financial statements of All-Hotels Limited for the year ended 31 December 2008 which comprise the profit and loss account, balance sheet and the related notes 1 to 12. 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 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 auditor

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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 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 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.

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 31 December 2008 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.

Grant Thornton UK LLP

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
London Thames Valley Office
Slough

12 June 2009

All-Hotels Limited
Profit and loss account
for the year ended 31 December 2008

	Notes	2008 £000	2007 £000
Total Transaction Value (TTV)	2	<u>6,985</u>	<u>10,420</u>
Turnover	2	<u>809</u>	<u>1,475</u>
Operating Costs			
Product development		(91)	-
Sales & marketing		(162)	(153)
General & administrative		<u>(490)</u>	<u>(749)</u>
		(743)	(902)
Operating profit	3	<u>66</u>	<u>573</u>
Interest receivable and similar income	4	15	2
Profit on ordinary activities before taxation		<u>81</u>	<u>575</u>
Tax on profit on ordinary activities	5	-	-
Retained profit for the financial period		<u>81</u>	<u>575</u>

All operations during the year are continuing operations.

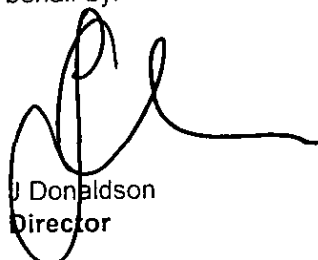
There are no recognised gains or losses in either period other than the profit for that period.

The accompanying accounting policies and notes form an integral part of these financial statements.

All-Hotels Limited
Balance sheet
as at 31 December 2008

	Notes	2008 £000	2007 £000
Current assets			
Debtors	6	2,647	3,906
Cash at bank and in hand		<u>2,682</u>	<u>486</u>
		5,329	4,392
Creditors: amounts falling due within one year	7	<u>(5,768)</u>	<u>(4,912)</u>
Net current liabilities		<u>(439)</u>	<u>(520)</u>
Total assets less current liabilities		(439)	(520)
Net liabilities		<u>(439)</u>	<u>(520)</u>
Capital and reserves			
Called up share capital	8	18	18
Share premium account	9	3,346	3,346
Profit and loss account	9	<u>(3,803)</u>	<u>(3,884)</u>
Equity shareholders' deficit	9	<u>(439)</u>	<u>(520)</u>

These financial statements were approved by the directors and authorised for issue on 10 June 2009, and are signed on their behalf by:



J Donaldson
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

All-Hotels Limited
Notes to the financial statements
for the year ended 31 December 2008

1 Accounting policies

Basis of preparation

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

The principal accounting policies of the Company are set out below and have remained unchanged from the prior year.

The directors have reviewed the principal accounting policies of the Company and consider that they remain the most appropriate for the Company.

Going concern

The Company's liabilities at 31 December 2008 exceeded its assets at that date. 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.

Deferred tax

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 retranslated at the rate of exchange ruling at the balance sheet date. All gains and losses arising as a result are taken to the profit and loss account.

Pensions and other post-retirement benefits

The Company participates in a defined contribution pension scheme. All costs for the scheme are borne by Last Minute Network Limited and recharged to the Company on a monthly basis. The scheme is available to UK Executive Directors and employees only.

Cash flow statement

In accordance with FRS 1 (Revised 1996) 'Cash flow Statements', these financial statements do not include a Statement of Cash Flows as the Company is a wholly owned subsidiary undertaking of Sabre Holdings Corporation whose accounts include a consolidated Statement of Cash Flows.

2 TTV and turnover

Total Transaction Value (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.

Turnover is recognised on a date of departure basis. The Company acts as agent and does not take ownership of the products or services being sold, with turnover representing commission earned.

Turnover also includes advertising and sponsorship income which is recognised over the period to which it relates.

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax.

Turnover and pre-tax loss 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.

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 profit

The auditor's remuneration has been borne by other group companies and the cost to the Company is estimated to be £7,544. Fees for non audit services are estimated to be £3,371 (2007: £5,490).

4 Staff costs

There are no staff or director costs incurred by the Company.

All-Hotels Limited
Notes to the financial statements
for the year ended 31 December 2008

5 Interest receivable and similar income

	2008 £000	2007 £000
Bank interest	15	2

6 Tax

(a) Tax on profit on ordinary activities

Tax charge in current year is £nil (2007: £nil).

(b) Factors affecting the current tax charge

	2008 £000	2007 £000
Profit on ordinary activities before tax	81	575
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007 - 30%).	23	172
Expenses not deductible for tax purposes	52	73
Group relief surrendered not paid	(55)	(1)
Tax losses utilised	(20)	(244)
Current tax charge for the year	0	-

(c) Deferred tax

	2008 £000	2007 £000
The Company has potential deferred tax assets at the year end as follows:		
Losses	1,088	1,110
Capital allowances and other timing differences	49	49
Total	1,137	1,159

Although the Company made a taxable profit this year, the deferred tax assets have not been recognised as it is not sufficiently certain that the Company will have enough suitable taxable profits for these items to reverse.

7 Debtors

	2008 £000	2007 £000
Trade debtors	40	15
Amounts owed by group undertakings	2,608	3,765
Other debtors	-	8
Prepayments and accrued income	-	118
	2,647	3,906

The Company's ultimate parent undertaking has provided to honour amounts owed by group undertakings.

8 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Trade creditors	111	-
Amounts owed to group undertakings	4,803	4,121
Accruals and deferred income	850	769
Other taxes and social security costs	5	22
	5,768	4,912

All-Hotels Limited
Notes to the financial statements
for the year ended 31 December 2008

8	Authorised and issued share capital	2008 No.	2007 No.	2008 £000	2007 £000
	Authorised:				
	Ordinary shares of 10p each	151,517	151,517	15	15
	'A' ordinary shares of 10p each	82,613	82,613	8	8
		<u>234,130</u>	<u>234,130</u>	<u>23</u>	<u>23</u>
		2008 No.	2007 No.	2008 £000	2007 £000
	Allotted, called up and fully paid:				
	Ordinary shares of 10p each	99,000	99,000	10	10
	'A' ordinary shares of 10p each	82,613	82,613	8	8
		<u>181,613</u>	<u>181,613</u>	<u>18</u>	<u>18</u>

The rights attaching to 'A' ordinary shares are as follows:

The 'A' ordinary shares are due a "participating dividend" calculated in accordance with the Company's Articles of Association which accrue from the end of the financial year in which the Company first has distributable profits. With the agreement of the 'A' ordinary shareholders, any remaining profits which the Company decides to distribute may be distributed amongst all shareholders as if they were one class of share.

The shareholders have agreed to waive the right to participate and receive future and cumulative dividends from the 'A' ordinary shares, as such these shares are classified as equity.

On winding up the 'A' ordinary shareholders are entitled, after the payment of the Company's liabilities (excluding shareholders loans), to a payment as set out in the Articles of Association together with a sum equal to any arrears or accruals of dividends to the date of the return on capital. The balance of assets after payment of shareholders loans are distributable between all shareholders as if they were one class of share. The holders of the 'A' ordinary shares may at any time convert the whole of their 'A' ordinary shares into like number of ordinary shares.

'A' ordinary and ordinary shareholders carry one vote per share.

9 Reconciliation of shareholders' funds and movement on reserves

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity shareholders (deficit) £000
At 1 January 2007	18	3,346	(4,459)	(1,095)
Profit for the year	-	-	575	575
At 31 December 2007	<u>18</u>	<u>3,346</u>	<u>(3,884)</u>	<u>(520)</u>
Profit for the year	-	-	81	81
At 31 December 2008	<u>18</u>	<u>3,346</u>	<u>(3,803)</u>	<u>(439)</u>

10 Contingent liabilities

The Company has entered into cross-guarantee and indemnity arrangements with the Group's bankers for the provision of various bonds, guarantees and overdraft facilities provided by the bank to the Company and other Group companies to a maximum of £131.9m (2007: £104.5m).

11 Related party transactions

The Company has taken advantage of the exemption under FRS 8 not to disclose transactions with other Group undertakings as the consolidated financial statements of the Group, Sabre Holdings Group, are publicly available.

12 Parent undertaking and controlling party

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

The smallest and largest group for which consolidated financial statements are prepared is Sabre Holdings Corporation. The registered office of Sabre Holdings Corporation is 3150 Sabre Drive, Southlake, Texas, USA.