

Holiday Autos Holdings Limited

(Registered Number: 3079209)

Annual Report and Financial Statements

For The Period Ended 30 September 2003



Holiday Autos Holdings Limited

(Registered Number: 3079209)

Company Information

DIRECTORS

D Sawers (Appointed 27 April 2004)
M Hart (Appointed 27 April 2004)
C Jacobs (resigned on 30 June 2004)
D Wiseman (resigned 27 April 2004)

SECRETARY

S Watkins

AUDITORS

Ernst & Young LLP
1 More London Place
London
SE1 2AF

BANKERS

Bank of Scotland
38 Threadneedle Street
London
EC2P 2EH

SOLICITORS

DLA
3 Noble Street
London
EC2V 7EE

REGISTERED OFFICE

4 Buckingham Gate
London
SW1E 6JP

Holiday Autos Holdings Limited

Contents

	Page(s)
Report of the directors	1 - 2
Statement of directors' responsibilities	3
Auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 14

Holiday Autos Holdings Limited

Directors' report for the period ended 30 September 2003

The directors submit their annual report and the audited financial statements of the Company for the period ended 30 September 2003.

Principal activities

The principle activity of the Company and its subsidiaries is the provision of car rentals to the leisure traveller.

Review of the business and future developments

In March 2003 the Holiday Autos Group was acquired by the lastminute.com plc Group.

Throughout the period the Company acted as the holding company for Holiday Autos subsidiaries.

Results and dividends

The Company made neither a profit nor loss for the period (2002: profit of £310,000). No interim dividends were proposed or paid during the period (2002: £416,000). The directors recommend that no final dividend be paid.

Directors

The directors of the Company during the period were as follows:

C Jacobs	(Resigned 30 June 2004)
B Farrugia	(Resigned 30 September 2003)
P Thomas	(Resigned 11 April 2003)
D Wiseman	(Resigned 27 April 2004)

M Hart and D Sawers were appointed as directors of the Company on 27 April 2004.

The directors' shareholdings in the ultimate parent undertaking, lastminute.com plc, are disclosed in the annual report of lastminute.com plc which are publicly available from the Company Secretary of lastminute.com plc.

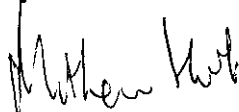
Holiday Autos Holdings Limited

Directors' report for the period ended 30 September 2003 (continued)

Auditors

A resolution to re-appoint Ernst & Young LLP as the Company's auditors will be put to the members at the next Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Mathew Hart', written over a horizontal line.

Mathew Hart
Director

Registered office:
4 Buckingham Gate
London
SW1E 6JP

Date: 11th August 2004

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Holiday Autos Holdings Limited

Statement of directors' responsibilities in respect of financial statements For the period ended 30 September 2003

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 and of the profit or loss of the Company for that year. 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, 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 which 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*.

Independent auditors' report to the members of Holiday Autos Holdings Limited

We have audited the Company's financial statements for the period ended 30 September 2003 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 15. These financial statements have been prepared on the basis of 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 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 within it.

Basis of audit opinion

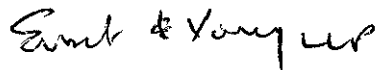
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 to the members of Holiday Autos Holdings Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 30 September 2003 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London
Date: 11th August 2004

Holiday Autos Holdings Limited

Profit and loss account for the period ended 30 September 2003

		11 months ended 30 September 2003	12 months ended 31 October 2002
	Notes	£'000	£'000
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Selling costs		-	-
Administrative expenses		-	-
Other operating income	3	-	310
Operating profit	3	-	310
Net interest receivable/(payable)		-	-
Profit on ordinary activities before taxation		-	310
Tax on profit on ordinary activities		-	-
Profit on ordinary activities after taxation		-	310
Dividends and other appropriations	4	-	(416)
Retained loss for the year transferred to reserves		-	(106)

There is no material difference between the historical cost profit and the profit for the period shown above.

There are no recognised gains or losses other than the losses for the period.

The notes on pages 8 to 14 form part of these financial statements.

Holiday Autos Holdings Limited

Balance sheet as at 30 September 2003

		At 30 Sept 2003	At 31 Oct 2002
	Notes	£'000	£'000
Fixed assets			
Investments	5	12,614	12,614
Current assets			
Debtors	6	2,633	2,633
		2,633	2,633
Creditors: amounts falling due within one year	7	(6,247)	(6,247)
Net current liabilities		(3,614)	(3,614)
Total assets less current liabilities		9,000	9,000
Capital and reserves			
Called up share capital	8	90	90
Share premium	9	2,970	2,970
Merger reserve	9	5,940	5,940
Equity shareholders' funds		9,000	9,000

The amount of shareholders' funds attributable to equity and non-equity interests are as follows:

Equity	8,814	8,814
Non equity	186	186
	9,000	9,000

These financial statements were approved by the Board of Directors on 11th August 2004 and were signed on its behalf by:



M Hart
Director

Holiday Autos Holdings Limited

Notes to financial statements For the period ended 30 September 2003

1 Basis of preparation

The financial statements have been prepared under the going concern concept, the historical cost convention and in accordance with applicable accounting standards.

The Company has taken advantage of the exemption from preparing group financial statements afforded by section 228 of the Companies Act 1985 because it is a wholly owned subsidiary undertaking of lastminute.com plc, which prepares consolidated financial statements which are publicly available.

2 Accounting policies

(1) Going concern

The financial statements indicate that the Company has net current liabilities. The directors have prepared the financial statements on a going concern basis as the ultimate parent undertaking has indicated that the group will provide financial support to the Company, for the foreseeable future, to enable the Company to meet its debts as they fall due.

(2) Change of accounting reference date

The accounting reference date has been changed to 30 September 2003 and the financial statements have been prepared for the period 1 November 2002 to 30 September 2003.

(3) Investments in subsidiary undertakings

Investments in subsidiary undertakings of the Company are stated at cost less provision for any permanent diminution in value.

(4) Deferred taxation

Deferred tax is recognised in respect of all timing differences that originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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 the loss enacted or substantively enacted at the balance sheet date.

(5) Group accounts

Under s228 Companies Act 1985, Holiday Autos Group Limited is exempt from the obligation to prepare and deliver group accounts because it is a wholly-owned subsidiary undertaking of lastminute.com plc, which prepares consolidated financial statements which are publicly available.

Holiday Autos Holdings Limited

Notes to financial statements

For the period ended 30 September 2003

(5) Cash flow statement

Under the provision of Financial Reporting Standard No. 1 "Cash Flow Statements" (Revised 1996), the Company has not prepared a statement of cash flows because its ultimate parent undertaking, lastminute.com plc, has prepared consolidated financial statements which include the financial statements of the Company and which contain a statement of cash flows.

3 Operating profit

The costs of the directors' and auditors' remuneration have been borne by Holiday Autos International Limited. The Company has no employees.

4 Dividends and other appropriations

	11 months ended 30 September 2003	12 months ended 31 October 2002
	£'000	£'000
Interim paid - 'A' ordinary shares	-	205
- 8% preference shares	-	105
Other appropriations	-	106
	-	416

5 Fixed assets - investments

	Subsidiary undertakings
	£'000
Cost	
At 1 November 2002	12,614
Additions	-
At 30 September 2003	12,614

	Country of operation and incorporation	Ordinary shares %
Held directly		
Holiday Autos International Ltd	UK	100
Holiday Autos Benelux SA	Belgium	100
Holiday Autos Nordics AS	Norway	100
Holiday Autos Italia srl	Italy	90

Holiday Autos Holdings Limited

Notes to financial statements For the period ended 30 September 2003

5 Fixed assets – investments (continued)

Held indirectly		
Holiday Autos Autovermietung GmbH	Germany	100
Holiday Autos US Inc	USA	100
Holiday Autos Scandinavia AB	Sweden	100
Holiday Autos Holdings France SARL	France	100
Kemwel Holiday Autos LLC	USA	100
Kemwel Group Inc	USA	100
Holiday Autos France SA	France	100
Holiday Autos B.V.	Holland	100
Holiday Autos (Schweiz) AG	Switzerland	100
Holiday Autos Italia srl	Italy	10

All subsidiary companies are engaged in the provision of car rentals.

In the opinion of the directors, the value of the investments is at least equal to the total cost shown above.

6 Debtors

	At 30 September 2003	At 31 October 2002
	£'000	£'000
Amounts owed by group undertakings	2,633	2,633
	<u>2,633</u>	<u>2,633</u>

All amounts are due within one year.

7 Creditors: amounts falling due within one year

	At 30 September 2003	At 31 October 2002
	£'000	£'000
Amounts owed to group undertakings	6,247	6,247
	<u>6,247</u>	<u>6,247</u>

Holiday Autos Holdings Limited

Notes to financial statements For the period ended 30 September 2003

8 Called up share capital

	At 30 September 2003	At 31 October 2002
	£'000	£'000
Authorised, issued and fully paid		
'A' ordinary shares of £0.01 - Non equity	54	54
'B' ordinary shares of £0.01 - Equity	8	8
'C' ordinary shares of £0.01 - Equity	2	2
8% preference shares of £0.01 - Non equity	26	26
	90	90

On 12 July 1995 2 ordinary shares of £1 each were issued, nil paid. On 15 September 1995, the authorised share capital was amended to that noted above. The 2 ordinary shares were converted into 200 'B' ordinary shares of £0.01 each. On the same date, 5,360,000 'A' shares and 639,800 'B' shares were issued as part of the consideration for acquiring the entire share capital of Holiday Autos International Limited, and 110,200 'B' shares, 250,000 'C' shares and 2,640,000 preference shares were issued for cash consideration of £1 each.

'A' ordinary shares

The holders of 'A' ordinary shares are entitled to receive a fixed cumulative preferential dividend at the rate of 5% per annum on the nominal amount of shares in issue plus premium paid on subscription. The holders of 'A' ordinary shares also have the right to receive an additional fixed cumulative preference dividend at the rate of 3% per annum.

This additional dividend shall accrue from day to day and shall be paid immediately on:

- (1) The earlier of (a) the listing of any of the Company's shares on the International Stock Exchange of the United Kingdom and Republic of Ireland and (b) the granting of an application by the Company for the dealing in any of Company's shares on any other public securities market.
- (2) The acquisition by any person of all the 'C' ordinary shares.

The holders of 'A' ordinary shares shall be entitled to receive notice of and attend and speak but not to vote at all general meetings of the Company.

On liquidation of the Company 'A' ordinary shareholders will rank after preference shareholders and before 'B' and 'C' shareholders.

Holiday Autos Holdings Limited

Notes to financial statements For the period ended 30 September 2003

8 Called up share capital (continued)

'B' ordinary shares

The holders of 'B' ordinary shares are not entitled to receive a dividend except on a sale or listing when the holder is entitled to a payment of dividend or return of capital, the amount of which is based on the return received by the 'C' ordinary shareholders and preference shareholders. The holders of 'B' ordinary shares are entitled to vote at all general meetings of the Company. 'B' ordinary shareholders rank parri passu with 'C' ordinary shareholders.

On liquidation of the Company 'B' ordinary shareholders will rank after preference, 'A' ordinary shareholders and pari passu with 'C' shareholders.

'C' ordinary shares

The holders of 'C' shares are entitled in respect of each successive financial year of the Company (starting with the financial year ending 31 October 2001) to a dividend of a cash sum equal to a percentage of the net profits of the Company and its subsidiary undertakings, as set out in the Articles of Association. The Directors are of the opinion that there are insufficient distributable reserves across the Group to support the payment of this dividend. The 'C' shares will be redeemed on a sale or listing.

The holders of 'C' ordinary shares are entitled to attend and vote at all general meetings of the Company. 'C' ordinary shareholders rank parri passu with 'B' ordinary shareholders.

On liquidation of the Company 'C' ordinary shareholders will rank after preference, 'A' ordinary shareholders and pari passu with 'B' shareholders.

Preference shares

The holders of the preference shares are entitled to receive a fixed cumulative preferential dividend at the rate of 8% per annum on the nominal amount plus any premium paid on subscription. The preference shares are redeemable in two tranches; 1,000,000 on 31 October 1999 and 1,640,000 on 31 October 2000. All the preference shares are held by Holiday Autos Group Limited who has agreed that they will not demand redemption of these shares. The preference shares on liquidation of the Company rank above the ordinary shares.

The holders of preference shares shall be entitled to receive notice of, and to attend and speak at, but not to vote at all general meetings of the Company.

9 Statement of reserves and reconciliation of shareholders' funds

	Share premium account	Merger reserve	Profit and loss account	Total
	£'000	£'000	£'000	£'000
At 1 November 2002	2,970	5,940	-	8,910
Retained loss for the period	-	-	-	-
Other appropriations added back	-	-	-	-
At 30 September 2003	2,970	5,940	-	8,910

Holiday Autos Holdings Limited

Notes to financial statements For the period ended 30 September 2003

9 Statement of reserves and reconciliation of shareholders' funds (continued)

In accordance with the provisions of Section 131 of the Companies Act 1985, the Company has transferred to the merger reserve the premium arising on the issue of shares as consideration for subsidiaries acquired during the period ended 31 October 1996. Prior to the Group restructuring, when Holiday Autos Holdings Limited ceased to be the parent undertaking, the Group had applied this merger reserve to write down goodwill arising on acquisition.

The cumulative amount of goodwill charged to reserves is £8,436,000 (2002: £8,436,000).

10 Financial commitments

At 30 September 2003 the Company has no financial commitments (2002: £nil).

11 Capital commitments

At 30 September 2003 there were no capital commitments contracted for but not provided (2002: £nil).

12 Commitments under operating leases

At 30 September 2003 the Company has no liabilities in regards to non-cancellable operating leases (2002: £nil).

13 Related party transactions

The Company has taken advantage of the exemption under Financial Reporting Standard No. 8 from disclosing details of related party transactions (but not balances) between entities that are part of the Holiday Autos Group Limited, on the grounds that the Company is a greater than 90% owned subsidiary which is consolidated into a Group whose financial statements are publicly available.

14 Parent undertaking and controlling party

The directors regard lastminute.com plc, a company incorporated in Great Britain and registered in England and Wales, as the Company's ultimate parent undertaking. The only group into which the results of the Company are consolidated is that headed by lastminute.com plc.

Copies of the financial statements of lastminute.com plc are available from the Company Secretary at the Company's registered office:

4 Buckingham Gate
London
SW1E 6JP

Holiday Autos Holdings Limited

Notes to financial statements

For the period ended 30 September 2003

15 Subsequent events

No material events have occurred since the balance sheet date that would affect the opinion or understanding of the Company's activities or financial position other than as already disclosed in these financial statements.