

Registered number  
03292373

Leisure Cars U K and Ireland Limited  
(formerly Holiday Autos U K and Ireland Limited)

Report and financial statements  
for the year ended 31 December 2012

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**Leisure Cars U.K. and Ireland Limited**  
**(formerly Holiday Autos U.K. and Ireland Limited)**  
**Report and financial statements**  
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**Leisure Cars U.K. and Ireland Limited**  
**(formerly Holiday Autos U.K. and Ireland Limited)**  
**Company information**

**Directors**

M Crummack  
J Donaldson

**Secretary**

B Lakhani

**Auditors**

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

**Registered office**

77 Hatton Garden  
London  
EC1N 8JS

**Registered number**

03292373

**Leisure Cars U.K. and Ireland Limited**  
**(formerly Holiday Autos U.K. and Ireland Limited)**  
**Directors' report**

The directors present their report and financial statements for the year ended 31 December 2012

**Results for the year**

The results for the Company show turnover of £36.2m (2011: £39.5m). Net profit after tax was £2.6m (2011: £3.5m).

**Principal activities and review of the business**

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

	2012 £000	2011 £000
Turnover	36,185	39,482
Profit after tax	2,553	3,452
Shareholders' funds	31,924	29,371
Average number of employees	11	38

Trading conditions continued to be difficult in 2012 due to the highly competitive market environment and the general state of the economy. As a result, the Company's net profit after tax is £0.9m lower than in the previous year. Cash balance has reduced by £45.4m due to settlement of intercompany balances which explains most of the £48.1m improvement in the overall creditors position.

Until June 2013 the Company's principal activities was the provision of car rentals to the leisure traveller. On 25 June 2013 the Holiday Autos group entities entered into a sale agreement with CarTrawler Limited ("CarTrawler") whereby CarTrawler acquired the intellectual property rights, goodwill, and other business assets of the Holiday Autos direct business. The Holiday Autos trade business was not part of this sale, and following consultation with local representative bodies in the respective jurisdiction and after much consideration senior management have made the decision to withdraw from the trade sector across all territories. As a result the Company will continue to take bookings until 31 August 2013 for departures until the 31 October 2013. The directors intend that the Company will be wound down at some point in the future once all liabilities have been settled and the remaining assets have been recovered. For this reason the directors have prepared the financial statements on a basis other than that of a going concern.

**Principal risks and uncertainties**

Since the sale of the direct business and subsequent announcement to withdraw from the trade sector as explained above, the main risks facing the Company are currency and liquidity risk. These risks, and the associated policies adopted to mitigate these risks, are explained in more detail as follows.

**Currency risk**

The Company's activities expose it substantially to the financial risks of changes in foreign currency exchange rates. This risk is managed at group level on a net basis, and if required uses forward exchange contracts to reduce the exposure. The Company does not enter into any speculative derivatives or hedges.

**Liquidity risk**

The funding of the Company is managed centrally by the group treasury function through a cash pooling arrangement. The availability of the cash pooling arrangement increases the flexibility of cash asset management and strengthens the liquidity position for both the subsidiary and the group as a whole. As a result of the central management of the group's funds and the strong relationship with its bankers, significant banking facilities are available to the Company. Under the cash pooling arrangement it is expected that the group will meet the liquidity requirements of the Company, if or when required.

**Leisure Cars U K. and Ireland Limited  
(formerly Holiday Autos U.K. and Ireland Limited)  
Directors' report**

**Events since the balance sheet date**

As a result of the business sale detailed above the Company changed its name to Leisure Cars U K and Ireland Limited on 10th July 2013

**Directors and their interests**

The directors who served during the period, and subsequently, are stated below

A Rodger (resigned 13 July 2012)

M Crummack

J Donaldson

None of the directors hold shares in the Company

The company secretary who held office during the period, and subsequently, is stated below

I Lindsay (resigned 26 October 2012)

B Lakhani (appointed 1 November 2012)

**Directors' and officers liability insurance**

Directors' and officers liability insurance has been purchased by the group

**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

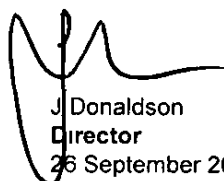
**Disclosure of information to the auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow directors and the Company's auditors, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

**Re-appointment of auditors**

In accordance with s 487 of the Companies Act 2006 the company has passed a resolution electing to dispense with the obligation to appoint auditors annually. Ernst & Young LLP have expressed their willingness to continue in office as auditors

On behalf of the board



J Donaldson  
Director  
26 September 2013

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**Leisure Cars U.K. and Ireland Limited**  
**(formerly Holiday Autos U.K. and Ireland 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 judgements and accounting 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
- as explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have been prepared on a basis other than that of a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

## **Leisure Cars U K. and Ireland Limited (formerly Holiday Autos U.K. and Ireland Limited)**

### **Independent auditor's report to the members of Leisure Cars U K and Ireland Limited (formerly Holiday Autos U K and Ireland Limited)**

We have audited the financial statements of Leisure Cars U K and Ireland Limited (formerly Holiday Autos U K and Ireland Limited) for the year ended 31 December 2012 which comprise profit and loss account, balance sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). As set out in note 1, these financial statements have been prepared on a basis other than that of a going concern.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Philip Young LLP*

Philip Young (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

27 September 2013

**Leisure Cars U K. and Ireland Limited**  
**(formerly Holiday Autos U.K. and Ireland Limited)**  
**Profit and loss account**  
**for the year ended 31 December 2012**

	Notes	2012 £000	2011 £000
<b>Turnover</b>	2	36,185	39,482
Cost of sales		(29,407)	(31,605)
<b>Gross profit</b>		<u>6,778</u>	<u>7,877</u>
<b>Operating Costs</b>			
Administrative expenses		(4,133)	(4,571)
<b>Operating profit before exceptional items</b>		<u>2,645</u>	<u>3,306</u>
Exceptional items	4	(86)	146
<b>Operating profit after exceptional items</b>		<u>2,559</u>	<u>3,452</u>
Interest payable and similar charges	6	(6)	-
<b>Profit on ordinary activities before taxation</b>		<u>2,553</u>	<u>3,452</u>
Tax on profit on ordinary activities	7	-	-
<b>Retained profit for the year</b>		<u><u>2,553</u></u>	<u><u>3,452</u></u>

The above results are all related to the discontinued operation as stated in note 15

There are no recognised gains or losses in either year other than the profit reported for that year

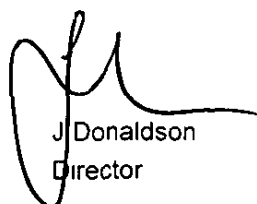
The accompanying accounting policies and notes form an integral part of these financial statements



**Leisure Cars U.K. and Ireland Limited**  
**(formerly Holiday Autos U.K. and Ireland Limited)**  
**Balance sheet**  
**as at 31 December 2012**

	Notes	2012 £000	2011 £000
<b>Current assets</b>			
Debtors	8	3,582	3,757
Cash at bank and in hand		121,938	167,339
		<u>125,520</u>	<u>171,096</u>
<b>Creditors: amounts falling due within one year</b>	9	(93,596)	(141,725)
<b>Net current assets</b>		<u>31,924</u>	<u>29,371</u>
<b>Net assets</b>		<u>31,924</u>	<u>29,371</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account	11	31,924	29,371
<b>Equity shareholders funds</b>	11	<u>31,924</u>	<u>29,371</u>

The financial statements of Leisure Cars U K and Ireland Limited, registered number 03292373, were approved by the directors and authorised for issue on 26 September 2013, and are signed on their behalf by

  
J Donaldson  
Director

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

**Leisure Cars U K. and Ireland Limited**  
**(formerly Holiday Autos U K and Ireland Limited)**  
**Notes to the financial statements**  
**year ended 31 December 2012**

**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

As explained in the Directors' Report, the Company will cease trading in 2013, and then be wound-down at some point in the near future. The financial statements have, therefore, been prepared on a basis other than that of a going concern which includes, where appropriate, adjusting the entity's assets to net realisable value. The financial statements include costs to be incurred subsequent to 2012 which relate to costs of terminating the business of the entity where these are known and can be estimated reliably

***Revenue recognition***

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty

***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 differences 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

**2 Turnover**

Turnover represents amounts invoiced for vehicle hire and ancillary services where the Company acts as principal and commission due where the Company acts as agent, is recognised in full at the date of departure and is stated exclusive of Value Added Tax and associated taxes

Turnover is generated within the UK and Ireland

**3 Auditors' remuneration**

There is a group audit fee of which £44,229 (2011: £43,818) has been allocated to the Company. No amounts were payable to Ernst & Young LLP for non-audit services during the current or previous period

**Leisure Cars U K and Ireland Limited**  
**(formerly Holiday Autos U.K and Ireland Limited)**  
**Notes to the financial statements**  
**year ended 31 December 2012**

**4 Exceptional items**

Operating profit is stated after charging/(crediting) the exceptional items below

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Intercompany balance write-off	1,424	-
Release for tax reclaims	(1,333)	(146)
Provision for irrecoverable intercompany balances	(5)	-
	<u>86</u>	<u>(146)</u>

**5 Staff costs**

**(a) Staff costs**

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	356	1,067
Social security costs	31	94
Other pension costs	10	27
	<u>397</u>	<u>1,188</u>

The average monthly number of employees (including directors) during the year was made up as follows

	<b>Year to 31 Dec</b>	<b>Year to 31</b>
	<b>2012</b>	<b>Dec 2011</b>
	<b>No</b>	<b>No</b>
Sales & marketing	10	10
General & administrative	-	23
Reservations	1	5
	<u>11</u>	<u>38</u>

The Company has a defined contribution pension scheme which is available to UK Executive Directors and employees only. The Company contributes to a grouped personal pension plan to provide retirement and death benefits. The Company currently contributes up to a maximum of 14% of the employees' basic salary to a pension account in the name of the individual employee, or pays the cash equivalent direct to the employee. The assets of the plan are separate from those of the Company and are managed by Aegon Scottish Equitable.

**(b) Directors' remuneration**

The emoluments of the directors of the Company who are also directors of other companies within the lastminute.com group totalled £712,874 (2011 £720,450). The directors believe it is not practicable to allocate this amount between their services as directors of the Company and their services as directors of the other group companies. In 2011 one director was paid by the Company, the emoluments paid were aggregate remuneration of £141,000 and pension contributions totalling £6,000.

The highest paid director received emoluments from the group of £245,392 (2011 £257,708).

**Leisure Cars U K and Ireland Limited**  
**(formerly Holiday Autos U K. and Ireland Limited)**  
**Notes to the financial statements**  
**year ended 31 December 2012**

**6 Interest payable and similar charges**

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Bank overdrafts	<u>6</u>	<u>-</u>

**7 Tax**

**(a) Tax on profit on ordinary activities**

Tax charge for current year is £nil (2011 £nil)

**(b) Factors affecting the current tax charge**

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before tax	<u>2,553</u>	<u>3,452</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	625	915
<i>Effects of</i>		
Permanent differences	(313)	(332)
Group relief claim	(335)	(593)
Timing differences	<u>23</u>	<u>10</u>
Current tax charge for year	<u>-</u>	<u>-</u>

**(c) Deferred tax**

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>

The Company has potential deferred tax assets at the year end as follows

Short-term timing differences	<u>50</u>	<u>39</u>
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The deferred tax assets have not been recognised as it is not sufficiently certain that the Company will have enough suitable taxable profits after group relief in the foreseeable future for these items to reverse

**(d) Factors that may affect future tax charges**

On 21 March 2012, the UK Government announced a reduction in the main rate of UK corporation tax to 24% with effect from 1 April 2012 and this became substantively enacted on 3 July 2012. The UK Government also proposed changes to further reduce the main rate of corporation tax by 1% per annum to 22% by April 2014. These changes are not expected to have a material impact on the accounts and will be applied in the Company's financial statements as the legislation is substantively enacted.

**Leisure Cars U K and Ireland Limited**  
**(formerly Holiday Autos U K and Ireland Limited)**  
**Notes to the financial statements**  
**year ended 31 December 2012**

<b>8 Debtors</b>	<b>2012 £000</b>	<b>2011 £000</b>
Trade debtors	1,467	1,470
Amounts owed by group undertakings	57	21
Prepayments and accrued income	1,946	2,253
Other taxes and social security costs	107	-
Other debtors	5	13
	<u>3,582</u>	<u>3,757</u>

<b>9 Creditors' amounts falling due within one year</b>	<b>2012 £000</b>	<b>Restated 2011 £000</b>
Trade creditors	33	62
Amounts owed to group undertakings	82,133	130,386
Accruals and deferred income	9,260	8,650
Advanced receipts	2,170	2,541
Other taxes and social security costs	-	86
	<u>93,596</u>	<u>141,725</u>

The 2011 comparatives have been restated to reclassify an amount of £566,000 from accruals to amounts owed to group undertaking to be consistent with the current year presentation

<b>10 Share capital</b>	<b>2012 No</b>	<b>2011 No</b>	<b>2012 £</b>	<b>2011 £</b>
Authorised				
Ordinary shares of £1 each	1,000	1,000	<u>1,000</u>	<u>1,000</u>
	<b>No</b>	<b>No</b>	<b>£</b>	<b>£</b>
Allotted, called up and fully paid				
Ordinary shares of £1 each	100	100	<u>100</u>	<u>100</u>

**11 Reconciliation of equity shareholders' funds and movement on reserves**

	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total equity shareholders funds £000</b>
At 1 January 2011	-	25,919	25,919
Profit for the year	-	3,452	3,452
At 31 December 2011	-	29,371	29,371
Profit for the year	-	2,553	2,553
At 31 December 2012	-	<u>31,924</u>	<u>31,924</u>

**12 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

**Leisure Cars U K. and Ireland Limited**  
**(formerly Holiday Autos U K and Ireland Limited)**  
**Notes to the financial statements**  
**year ended 31 December 2012**

**13 Related party transactions**

The Company has taken advantage of the exemption available under FRS 8 'Related Party Disclosures' not to disclose transactions between entities whose voting rights are 100% controlled within the Sabre group of companies

**14 Parent undertaking and controlling party**

The immediate parent company is Leisure Cars Group Limited (formerly Holiday Autos Group 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

Sabre Holdings Corporation is both the smallest and largest group in which the results of Holiday Autos U K and Ireland Limited are consolidated. The principal office address of Sabre Holdings Corporation is 3150 Sabre Drive, Southlake, Texas, USA

**15 Post balance sheet event**

On 25 June 2013 the Holiday Autos group entities entered into a sale agreement with CarTrawler Limited ("CarTrawler") whereby CarTrawler acquired the intellectual property rights, goodwill, and other business assets of the Holiday Autos direct business. The Holiday Autos trade business was not part of this sale, and following consultation with local representative bodies in the respective jurisdiction and after much consideration senior management have made the decision to withdraw from the trade sector across all territories. As a result the Company will continue to take bookings until 31 August 2013 for departures until the 31 October 2013. The directors intend that the Company will be wound down at some point in the future once all liabilities have been settled and the remaining assets have been recovered.

On 10th July 2013 the Company changed its name to Leisure Cars U K and Ireland Limited