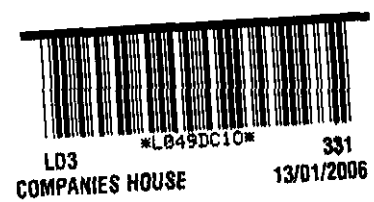


Registered number  
04357078

Holiday Hotels Limited  
Report and Accounts  
Year ended 30 September 2004



**Holiday Hotels Limited**  
**Report and accounts**  
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**Holiday Hotels Limited**  
**Company Information**

**Directors**

C Jacobs (resigned 3 February 2004)  
P Evans (resigned 21 November 2003)  
J Kent (appointed 3 February 2004) (resigned 31 January 2005)  
D Sawers (appointed 7 November 2003) (resigned 3 February 2004)  
D Howell (appointed 3 February 2004) (resigned 3 March 2005)  
Ms J Bedlow (appointed 3 February 2004) (resigned 28 October 2005)  
I McCaig (appointed 25 February 2005)  
B Hoberman (appointed 25 February 2005)  
M Jones (appointed 28 October 2005)  
E Kamm (appointed 28 October 2005)  
D Tassone (appointed 28 October 2005)

**Secretary**

I Lindsay

**Auditors**

Ernst & Young  
1 More London Place  
London  
SE1 2AF

**Bankers**

Barclays Bank plc  
50 Pall Mall  
London  
SW1A 1QA

**Registered office**

Victoria Gate  
Chobham Road  
Woking  
Surrey  
GU21 6JD

**Registered number**

04357078

## **Holiday Hotels Limited**

### **Directors' Report**

The directors present their report and accounts for the year ended 30 September 2004.

#### **Principal activities and review of the business**

The Company's principal activity during the year continued to be the provision of hotel accommodation to the leisure traveller.

The Company is in a good position to take advantage of any opportunities which may arise in the future.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £404,991 (2003: Loss £1,228,057). The directors do not recommend a final ordinary dividend (2003: nil), which leaves a loss of £404,991 (2003: loss £1,228,057) to be retained.

#### **Future developments**

The directors aim to maintain the management policies that have resulted in the Company's reduced losses in the current period. They consider that 2005 will show a profit.

#### **Events since the balance sheet date**

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. There have been no other significant events affecting the Company since the period end.

#### **Directors**

The directors who served during the period were as follows:

C Jacobs - resigned 3 February 2004

P Evans - resigned 21 November 2003

J Kent - resigned 31 January 2005

D Sawers - resigned 3 February 2004

D Howell - resigned 3 March 2005

Ms J Bedlow - appointed 3 February 2004, resigned 28 October 2005

I McCaig and B Hoberman were appointed directors of the Company on 25 February 2005. M Jones, E Kamm and D Tassone were appointed directors of the Company on 28 October 2005.

#### **Directors interests**

Subsequent to the period end, the shares of lastminute.com plc were acquired by Sabre Holdings Corporation on 20 July 2005. Further to the acquisition, none of the directors hold shares in the parent company and all related share schemes have been cancelled.

## **Holiday Hotels Limited**

### **Directors' Report**

#### **Directors' responsibilities**

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:

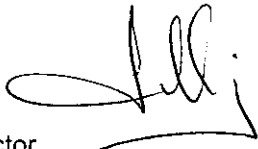
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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**

Ernst & Young LLP will be re-appointed as the Company's auditors in accordance with the elective resolution passed by the Company under s.386 of the Companies Act 1985.

This report was approved by the board on 13 January 2008



Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLIDAY HOTELS LIMITED**

We have audited the company's financial statements for the period ended 30 September 2004 which comprise the Profit and Loss Account, Balance Sheet, and the related notes. 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 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**

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.

**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 2004 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP

Registered Auditor

Address

Date 13 January 2006

**Holiday Hotels Limited**  
**Profit and Loss Account**  
**for the year ended 30 September 2004**

	Notes	30 Sep 2004 £	11 months to 30 Sept 2003 £
<b>Total transaction value ("TTV")</b>	2	4,000,568	4,633,909
<b>Turnover</b>	2	967,293	184,406
Distribution costs		(512,095)	(282,017)
Administrative expenses		(860,890)	(1,127,083)
<b>Operating loss</b>	3	(405,692)	(1,224,694)
Interest receivable		701	709
Interest payable	6	-	(4,072)
<b>Loss on ordinary activities before taxation</b>		(404,991)	(1,228,057)
<i>Tax on loss on ordinary activities</i>	7	-	-
<b>Loss for the financial year</b>		(404,991)	(1,228,057)
<b>Retained loss for the financial year</b>	14	(404,991)	(1,228,057)

All activities are derived from continuing operations.


There is no difference between the loss on ordinary activities before taxation and retained loss for the period stated above, and their historical cost equivalents.



**Holiday Hotels Limited**  
**Balance Sheet**  
**as at 30 September 2004**

	Notes	2004 £	2003 £
<b>Fixed assets</b>			
Tangible assets	8	-	183,656
<b>Current assets</b>			
Debtors	9	766,721	1,569,998
Cash at bank and in hand		998,973	351,197
		<u>1,765,694</u>	<u>1,921,195</u>
<b>Creditors: amounts falling due within one year</b>	10	(5,727,255)	(5,633,211)
<b>Net current liabilities</b>		<u>(3,961,561)</u>	<u>(3,712,016)</u>
<b>Total assets less current liabilities</b>		<u>(3,961,561)</u>	<u>(3,528,360)</u>
<b>Creditors: amounts falling due after more than one year</b>	11	-	(28,210)
<b>Net liabilities</b>		<u>(3,961,561)</u>	<u>(3,556,570)</u>
<b>Capital and reserves</b>			
Called up share capital	13	1,798	1,798
Profit and loss account	14	(3,963,359)	(3,558,368)
<b>Shareholder's funds:</b>			
Equity		<u>(3,961,561)</u>	<u>(3,556,570)</u>
	15	<u>(3,961,561)</u>	<u>(3,556,570)</u>

These financial statements were approved by the Board of Directors on 13 January 2006

  
Edmund J. Kamm  
Director

**Holiday Hotels Limited**  
**Notes to the Accounts**  
**for the year ended 30 September 2004**

**1 Accounting policies**

***Accounting convention***

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

***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 parent undertaking, lastminute.com Limited (formerly lastminute.com plc), has prepared consolidated financial statements which include the financial statements of the Company and which contain a statement of cash flows.

***Depreciation***

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:

Motor vehicles	over 4 years
Fixtures and fittings	over 3 years
Computer equipment	over 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 the 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 capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

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.

**Holiday Hotels Limited**  
**Notes to the Accounts**  
**for the year ended 30 September 2004**

***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 aggregate amount of revenue from products sold and is stated exclusive of recoverable Value Added Tax and associated taxes.

Turnover is attributable to one continuing activity.

Total Transaction Value ("TTV") - TTV, which is stated net of value added tax, does not represent the Company's statutory turnover. As the Company acts as agent or cash collector, TTV represents the price at which goods or services have been sold to the consumer.

Income in relation to commission earned from internet hotel bookings is recognised on a date of departure basis.

	30 Sept 2004 £	11 months to 30 Sept 2003 £
<b>3 Operating profit</b>		
This is stated after charging:		
Depreciation of owned fixed assets	46,691	44,342
Depreciation of assets held under finance leases and hire purchase contracts	43,838	41,632
Auditors' remuneration	-	8,976
	<hr/>	<hr/>
<b>4 Directors' emoluments</b>		
	£	£
Emoluments	-	32,763
	<hr/>	<hr/>

**Holiday Hotels Limited**  
**Notes to the Accounts**  
**for the year ended 30 September 2004**

**5 Staff costs**

	£	£
Wages and salaries	448,447	399,819
Social security costs	7,874	51,331
Other pension costs	1,873	15,357
	<u>458,194</u>	<u>466,507</u>

**Average number of employees during the year**

	Number	Number
Administration	3	8
Reservations	3	8
Sales	1	2
	<u>7</u>	<u>18</u>

**6 Interest payable**

	30 Sept 2004 £	11 months to 30 Sept 2003 £
Bank loans and overdrafts	<u>-</u>	<u>4,072</u>

**7 Taxation**

	£	£
<b>Analysis of charge in period</b>		
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

**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:

	£	£
Loss on ordinary activities before tax	<u>(404,991)</u>	<u>(1,228,057)</u>
Standard rate of corporation tax in the UK	30%	30%
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax	(121,497)	(368,417)
Effects of:		
Expenses not deductible for tax purposes	220	736,834
Capital allowances for period in excess of depreciation	34,340	(21,445)
Tax losses carried forward	86,937	-
Utilisation of group losses	-	(346,972)
Current tax charge for period	<u>-</u>	<u>-</u>

**Holiday Hotels Limited**  
**Notes to the Accounts**  
**for the year ended 30 September 2004**

**8 Tangible fixed assets**

	<b>Plant and machinery £</b>
<b>Cost</b>	
At 1 October 2003	302,216
Disposals	(302,216)
At 30 September 2004	-
<b>Depreciation</b>	
At 1 October 2003	118,560
Charge for the year	90,529
On disposals	(209,089)
At 30 September 2004	-
<b>Net book value</b>	
At 30 September 2004	-
At 30 September 2003	183,656
	<b>11 months to 30 Sept 2003</b>
	<b>£</b>
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	71,910

**9 Debtors**

	<b>£</b>	<b>£</b>
Trade debtors	347,713	807,559
Deferred cost of sales	-	652,443
Amounts owed to group undertakings and undertakings in which the Company has a participating interest	158,889	-
Other debtors	25,943	99,556
Prepayments and accrued income	234,176	10,440
	<u>766,721</u>	<u>1,569,998</u>

**10 Creditors: amounts falling due within one year**

	<b>£</b>	<b>£</b>
Obligations under finance lease and hire purchase contracts	-	42,666
Trade creditors	1,131,266	1,728,839
Amounts owed to group undertakings and undertakings in which the Company has a participating interest	4,289,404	3,062,542
Other taxes and social security costs	-	17,921
Other creditors	31,049	-
Accruals and deferred income	275,536	781,243
	<u>5,727,255</u>	<u>5,633,211</u>

The parent undertaking has subordinated the amounts owed to it of £4,116,368 in favour of third party creditors.

**Holiday Hotels Limited**  
**Notes to the Accounts**  
**for the year ended 30 September 2004**

			<b>30 Sept 2004 £</b>	<b>11 months to 30 Sept 2003 £</b>
<b>11 Creditors: amounts falling due after one year</b>				
Obligations under finance lease and hire purchase contracts			-	28,210
<b>12 Obligations under finance leases and hire purchase contracts</b>			<b>£</b>	<b>£</b>
Amounts payable:				
Within one year			-	42,666
Within two to five years			-	28,210
			-	70,876
<b>13 Share capital</b>			<b>£</b>	<b>£</b>
Authorised:				
Ordinary 'A' shares of £0.01 each			499	499
Ordinary 'B' shares of £0.01 each			300	300
Ordinary 'C' shares of £0.05 each			499	499
Ordinary 'D' shares of £0.05 each			500	500
			1,798	1,798
	<b>2004 No</b>	<b>2003 No</b>	<b>£</b>	<b>£</b>
Allotted, called up and fully paid:				
Ordinary 'A' shares of £0.01 each	49,900	49,900	499	499
Ordinary 'B' shares of £0.01 each	30,000	30,000	300	300
Ordinary 'C' shares of £0.05 each	9,980	9,980	499	499
Ordinary 'D' shares of £0.05 each	10,000	10,000	500	500
			1,798	1,798
<b>Movement in share capital</b>			<b>£</b>	<b>£</b>
At 1 October 2003			1,798	2
Shares issued			-	1,796
At 30 September 2004			1,798	1,798

**Holiday Hotels Limited**  
**Notes to the Accounts**  
**for the year ended 30 September 2004**

	30 Sept 2004 £	11 months to 30 Sept 2003 £
<b>14 Profit and loss account</b>		
At 1 October 2003	(3,558,368)	(2,330,311)
Retained loss	(404,991)	(1,228,057)
At 30 September 2004	<u>(3,963,359)</u>	<u>(3,558,368)</u>

	£	£
<b>15 Reconciliation of movement in shareholder's funds</b>		
At 1 October 2003	(3,556,570)	(2,330,309)
Loss for the financial year	(404,991)	(1,228,057)
Shares issued	-	1,796
At 30 September 2004	<u>(3,961,561)</u>	<u>(3,556,570)</u>

**16 Pension commitments**

The Company operates two defined contribution schemes for its directors and senior staff. The company also makes available a stakeholder scheme for all other staff. The assets of the pension schemes are maintained separately from those of the Company and are managed by Scottish Equitable. At 30 September 2004 the company had £nil (2003: £1,216) held within accruals in respect to pension contributions paid after the year end.

**17 Post balance sheet events**

On 20th July 2005, lastminute.com Limited (formerly lastminute.com plc), the then ultimate holding company, was acquired by Travelocity Europe Limited (an indirect wholly owned subsidiary of Sabre, Inc).

**18 Related parties**

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

**19 Immediate holding company**

The immediate holding company is Holiday Autos Limited, a company incorporated in England and Wales. The ultimate holding company is Sabre Holdings Corporation, a company incorporated in the United States, whose registered office is situated at 3150 Sabre Drive, Southlake Texas, USA.