

VACATION CARE TRAVEL CLUB LIMITED

Report and Financial Statements

30th June 2002



VACATION CARE TRAVEL CLUB LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P D Morley
J F Greengrass

SECRETARY

P D Morley

REGISTERED OFFICE

1st Floor
Bucklersbury House
83 Cannon Street
London
EC4N 8PE

AUDITORS

Ernst & Young LLP
Wessex House
19 Threefield Lane
Southampton
SO14 3QB

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2002.

ACTIVITIES

The travel club was established to provide services to our existing customer base and to the general public. We are pleased to report that the company has produced a small profit despite the adverse effect on trading caused by the after effects of September 11th and the unrest in the Gulf.

The company derives its profits from commissions on air flights and other related services.

We anticipate that the company will see slight improvements in its profit in the coming year.

DIRECTORS

The present directors are shown on page 1 and both served throughout the year.

DIRECTORS' INTERESTS IN SHARES OF GROUP COMPANIES

No director had any interest in the shares of the company.

The interest of P D Morley and J F Greengrass in group companies are disclosed in the directors report of the ultimate parent company, Levellight Limited.

DIRECTORS' AND OFFICERS' LIABILITY

Directors' and officers' liability insurance has been purchased by the parent company during the year.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



P D Morley

Director

19 December 2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 as at the end of the financial year 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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- 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, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

VACATION CARE TRAVEL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the company's financial statements for the year ended 30th June 2002 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 11. These financial statements have been prepared on the basis of the accounting policies set out therein.

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.

This report has been prepared for the members of the company pursuant to Section 235 of the Companies Act 1985 (the "Act") and for no other purpose.

No person is entitled to rely on this report unless such person:

- i) is a person who is entitled to rely on this report by virtue of and for the purposes of the Act; or
- ii) has been expressly authorised to do so by our prior written consent

Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Southampton

20 December 2002

VACATION CARE TRAVEL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2002

	Note	Year ended 30 June 2002 £	Year ended 30 June 2001 £
TURNOVER	2	1,612,074	207,068
Cost of sales		<u>(1,354,699)</u>	<u>(156,271)</u>
Gross profit		257,375	50,797
Administrative expenses		<u>(247,485)</u>	<u>(47,927)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		9,890	2,870
Interest receivable and similar income		<u>5,746</u>	<u>1,928</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	15,636	4,798
Tax on profit on ordinary activities	5	<u>(5,216)</u>	<u>(2,036)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		10,420	2,762
Profit and loss account brought forward		<u>2,762</u>	-
Profit and loss account carried forward		<u><u>13,182</u></u>	<u><u>2,762</u></u>

All amounts derive from continuing operations.

There were no recognised gains or losses for the current financial year and preceeding financial year other than as stated in the profit and loss account.

VACATION CARE TRAVEL CLUB LIMITED

BALANCE SHEET

As at 30 June 2002

	Note	2002 £	2001 £
CURRENT ASSETS			
Debtors:			
Due within one year	6	3,291	1,754
Due after more than one year	6	-	-
Investments	7	-	157,263
Cash at bank and in hand		197,574	3,891
		<u>200,865</u>	<u>162,908</u>
CREDITORS: amounts falling due within one year	8	(83,564)	(55,513)
		<u>117,301</u>	<u>107,395</u>
NET CURRENT ASSETS			
CREDITORS: amounts falling due after more than one year	8	(54,119)	(54,633)
		<u>63,182</u>	<u>52,762</u>
CAPITAL AND RESERVES			
Called up share capital	9	50,000	50,000
Profit and loss account		13,182	2,762
EQUITY SHAREHOLDERS' FUNDS	10	<u>63,182</u>	<u>52,762</u>

These financial statements were approved by the Board of Directors on 19 December 2002.

Signed on behalf of the Board of Directors



P D Morley

Director

NOTES TO THE ACCOUNTS

Year ended 30 June 2002

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Comparative figures

The comparative figures are for 3 months as the company commenced trading on 5 April 2001.

Turnover

Turnover represents sales by the company to outside customers, excluding value added tax.

Cash flow statements

The ultimate parent company, Levellight Limited, has prepared a cash flow statement in accordance with Financial Reporting Standard No. 1 and accordingly the company has applied the exemptions contained within the standard and has not produced a separate cash flow statement.

2. TURNOVER

	Year ended 30 June 2002 £	Year ended 30 June 2001 £
Geographical analysis of turnover:		
United Kingdom	1,612,074	207,068
	<u>1,612,074</u>	<u>207,068</u>

Turnover derives from the provision of travel services.

VACATION CARE TRAVEL CLUB LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2002

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 30 June 2002 £	Year ended 30 June 2001 £
Employee costs during the period:		
Wages and salaries	100,150	20,807
Social security costs	8,374	1,665
	No.	No.
Average number of persons employed:		
Service	5	5
Administration	1	1

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 30 June 2002 £	Year ended 30 June 2001 £
Profit on ordinary activities before taxation is after charging:		
Management fee payable to Vacation Care International Ltd	80,170	10,276

Auditors remuneration was paid by the immediate parent company, Vacation Care International Limited.

During the year no directors received emoluments from the company (2001 : £Nil).

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 30 June 2002	Year ended 30 June 2001
UK Corporation tax	5,216	2,036
Factors effecting tax charge for year:		
Profit on ordinary activities before taxation	15,636	4,798
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	4,692	1,439
Effects of:		
Expenses not deductible for tax purposes	600	597
Capital allowances for period in excess of depreciation	(76)	-
Current tax charge for year	5,216	2,036

VACATION CARE TRAVEL CLUB LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2002

6. DEBTORS

Amounts falling due within one year:

	2002 £	2001 £
Prepayments and accrued income	3,291	1,754
	<u>3,291</u>	<u>1,754</u>

Amounts falling due after more than one year:

	2002 £	2001 £
Amounts owed by parent company	-	-
	<u>-</u>	<u>-</u>

7. INVESTMENTS HELD AS CURRENT ASSETS

	2002 £	2001 £
Cost and net book value		
Bank deposits	-	157,263
	<u>-</u>	<u>157,263</u>

8. CREDITORS

Amounts falling due within one year:

	2002 £	2001 £
Trade creditors	75,065	52,786
Other creditors including taxation and social security	1,247	2,727
Amounts owed to parent company	7,252	-
	<u>83,564</u>	<u>55,513</u>

Amounts falling due after more than one year:

	2002 £	2001 £
Amounts owed to parent company	54,119	54,633
	<u>54,119</u>	<u>54,633</u>

VACATION CARE TRAVEL CLUB LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2002

9. CALLED UP SHARE CAPITAL

	2002	2001
	£	£
Authorised, allotted and fully paid: 50,000 ordinary shares of £1 each	50,000	50,000

10. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Issued share capital £	Profit and loss account £	Total 2002 £	Total 2001 £
Balance at 1 July 2001	50,000	2,762	52,762	1,000
Profit for period	-	10,420	10,420	2,762
Issue of shares	-	-	-	49,000
Balance at 30 June 2002	50,000	13,182	63,182	52,762

11. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Vacation Care International Limited which is registered in England and Wales. The ultimate parent company is Levelight Limited, registered in England and Wales. Copies of the group financial statements can be obtained 50 Sheen Lane, London, SW14 8LP.