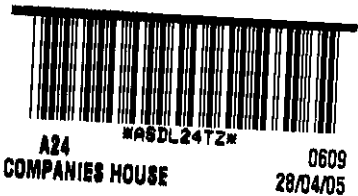


VACATION CARE TRAVEL CLUB LIMITED

Report and Financial Statements

30th June 2004



VACATION CARE TRAVEL CLUB LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Profit and loss account	3
Balance sheet	4
Notes to the accounts	5

REPORT AND FINANCIAL STATEMENTS 2004

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

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2004.

RESULTS AND DIVIDENDS

The company made a loss for the year of £1,766 (2003 Profit: £13,108). The directors do not recommend the payment of any dividends.

ACTIVITIES

The travel club was established to provide services to our existing customer base and to the general public.

With the continued reduction in the level of business in the UK, it was decided to close the London operation and consolidate our activities in Spain. This took place in January 2004.

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

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.

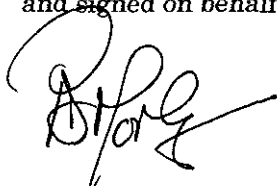
DIRECTORS' AND OFFICERS' LIABILITY

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

AUDITORS

The members have decided not to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

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



P D Morley

Director

25 April 2005

VACATION CARE TRAVEL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2004

	Note	Year ended 30 June 2004 £	Year ended 30 June 2003 £
TURNOVER	2	410,916	923,301
Cost of sales		<u>(288,069)</u>	<u>(660,002)</u>
Gross profit		122,847	263,299
Administrative expenses		<u>(126,453)</u>	<u>(251,332)</u>
(LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(3,606)	11,967
Interest receivable and similar income		<u>1,093</u>	<u>1,497</u>
(LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(2,513)	13,464
Tax on (loss)/ profit on ordinary activities	5	<u>747</u>	<u>(356)</u>
(LOSS)/ PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(1,766)	13,108
Profit and loss account brought forward		<u>26,290</u>	<u>13,182</u>
Profit and loss account carried forward		<u><u>24,524</u></u>	<u><u>26,290</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 2004

	Note	2004 £	2003 £
CURRENT ASSETS			
Debtors:			
Due within one year	6	60	634
Due after more than one year	6	40,539	-
Cash at bank and in hand		91,851	261,269
		<u>132,450</u>	<u>261,903</u>
CREDITORS: amounts falling due within one year	7	(56,139)	(165,906)
		<u>76,311</u>	<u>95,997</u>
NET CURRENT ASSETS			
		76,311	95,997
CREDITORS: amounts falling due after more than one year	7	(1,787)	(19,707)
		<u>74,524</u>	<u>76,290</u>
CAPITAL AND RESERVES			
Called up share capital	9	50,000	50,000
Profit and loss account		24,524	26,290
		<u>74,524</u>	<u>76,290</u>
EQUITY SHAREHOLDERS' FUNDS	10	<u>74,524</u>	<u>76,290</u>

Statements:

- (a) For the year ended 30 June 2004 the company was entitled to exemption under section 249A(1) of the Companies Act 1985.
- (b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- (c) The directors acknowledge their responsibility for:
 - ensuring the company keeps accounting records which comply with section 221; and
 - preparing accounts 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 its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.
- (d) The accounts have been prepared in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the Board of Directors on 25 April 2005.

Signed on behalf of the Board of Directors



P D Morley

Director

NOTES TO THE ACCOUNTS

Year ended 30 June 2004

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.

Turnover

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

Cash flow statements

The company has used the exemptions provided under Financial Reporting Standard 1 (Revised) as a small company and has not presented a Cash Flow Statement.

2. TURNOVER

	Year ended 30 June 2004 £	Year ended 30 June 2003 £
Geographical analysis of turnover:		
United Kingdom	410,916	923,301
	<u>410,916</u>	<u>923,301</u>

Turnover derives from the provision of travel services.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 30 June 2004 £	Year ended 30 June 2003 £
Employee costs during the period:		
Wages and salaries	56,182	105,898
Social security costs	4,807	8,830
	<u> </u>	<u> </u>
	No.	No.
Average number of persons employed:		
Service	3	5
Administration	1	1
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS

Year ended 30 June 2004

4. (LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 30 June 2004 £	Year ended 30 June 2003 £
(Loss)/ profit on ordinary activities before taxation is after charging:		
Management fee payable to Vacation Care International Ltd	27,270	58,204

During the year no directors received emoluments from the company (2003 : £Nil).

5. TAXATION

	Year ended 30 June 2004	Year ended 30 June 2003
(a) Taxation on (loss)/ profit on ordinary activities		
<i>Current tax</i>		
UK Corporation tax based on results for year	-	2,534
Group relief (recoverable)	(747)	
Adjustments in respect of previous years	-	(2,178)
	<u>(747)</u>	<u>356</u>
<i>Deferred taxation</i>		
Origination and reversal of timing differences	-	-
Effect of increased tax rate on opening liability	-	-
Changes in recoverable income	-	-
	<u>(747)</u>	<u>356</u>

(b) Factors effecting tax charge for year:

The tax assessed on the (loss) on ordinary activities for the year is different from the standard rate of corporation tax in the UK of 30% (2003 - 19%). The differences are reconciled below:

	Year ended 30 June 2004	Year ended 30 June 2003
(Loss)/ profit on ordinary activities before taxation	(2,513)	13,464
(Loss)/ profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 19%)	(754)	2,558
<i>Effects of:</i>		
Expenses not deductible for tax purposes	50	12
Capital allowances for period in excess of depreciation	(43)	(36)
Adjustments to tax charge in respect of prior years	-	(2,178)
Current tax charge for year	<u>(747)</u>	<u>356</u>

VACATION CARE TRAVEL CLUB LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2004

6. DEBTORS

Amounts falling due within one year:

	2004 £	2003 £
Prepayments and accrued income	60	634
	<u>60</u>	<u>634</u>

Amounts falling due after more than one year:

	2004 £	2003 £
Amounts owed by parent company	40,539	-
	<u>40,539</u>	<u>-</u>

7. CREDITORS

Amounts falling due within one year:

	2004 £	2003 £
Trade creditors	55,476	161,214
Other creditors including taxation and social security	663	4,692
	<u>56,139</u>	<u>165,906</u>

Amounts falling due after more than one year:

	2004 £	2003 £
Amounts owed to parent company	-	19,707
Amounts owing to other group companies	1,787	-
	<u>1,787</u>	<u>19,707</u>

VACATION CARE TRAVEL CLUB LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2004

8. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation is provided in the accounts as follows:

	Provided		Not Provided	
	2004	2003	2004	2003
	£	£	£	£
Capital allowances in advance of depreciation	-	-	(127)	(170)
Short term timing differences	-	-	-	-
Tax losses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>(127)</u>	<u>(170)</u>

The movements in deferred taxation during the current and previous years are as follows:

	2004	2003
	£	£
At 1 July 2003	-	-
Adjustments in respect of prior years	-	-
Charge for the year	-	-
30 June 2004	<u>-</u>	<u>-</u>

9. CALLED UP SHARE CAPITAL

	2004	2003
	£	£
Authorised, allotted and fully paid: 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

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

	Issued share capital	Profit and loss account	Total 2004	Total 2003
	£	£	£	£
Balance at 1 July 2003	50,000	26,290	76,290	63,182
(Loss)/ profit for period	-	(1,766)	(1,766)	10,420
Balance at 30 June 2004	<u>50,000</u>	<u>24,524</u>	<u>74,524</u>	<u>73,602</u>

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 Levellight Limited, registered in England and Wales.