

# VACATION CARE TRAVEL CLUB LIMITED

Report and Financial Statements

30th June 2003



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# VACATION CARE TRAVEL CLUB LIMITED

## REPORT AND FINANCIAL STATEMENTS 2003

<b>CONTENTS</b>	<b>Page</b>
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

**REPORT AND FINANCIAL STATEMENTS 2003**

**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 2003.

### RESULTS AND DIVIDENDS

The company made a profit for the year of £13,108 (2002: £10,420). 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. The year has seen a further reduction in the business due to the continuing volatility of the market. During the year a major contract to handle 3rd party flights was terminated which has resulted in a substantial reduction in turnover. As commissions on this business were low the effect on profits was minimal. 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

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

17 December 2003

## 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 2003 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.

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 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 June 2003 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

*18 December 2003*

VACATION CARE TRAVEL CLUB LIMITED

**PROFIT AND LOSS ACCOUNT**

Year ended 30 June 2003

	Note	Year ended 30 June 2003 £	Year ended 30 June 2002 £
<b>TURNOVER</b>	2	923,301	1,612,074
Cost of sales		<u>(660,002)</u>	<u>(1,354,699)</u>
Gross profit		263,299	257,375
Administrative expenses		<u>(251,332)</u>	<u>(247,485)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		11,967	9,890
Interest receivable and similar income		<u>1,497</u>	<u>5,746</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	13,464	15,636
Tax on profit on ordinary activities	5	<u>(356)</u>	<u>(5,216)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		13,108	10,420
<b>Profit and loss account brought forward</b>		<u>13,182</u>	<u>2,762</u>
<b>Profit and loss account carried forward</b>		<u><u>26,290</u></u>	<u><u>13,182</u></u>

All amounts derive from continuing operations.

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

VACATION CARE TRAVEL CLUB LIMITED

**BALANCE SHEET**  
As at 30 June 2003

	Note	2003 £	2002 £
<b>CURRENT ASSETS</b>			
Debtors:			
Due within one year	6	634	3,291
Cash at bank and in hand		261,269	197,574
		<u>261,903</u>	<u>200,865</u>
<b>CREDITORS: amounts falling due within one year</b>	7	(165,906)	(83,564)
		<u>95,997</u>	<u>117,301</u>
<b>NET CURRENT ASSETS</b>			
<b>CREDITORS: amounts falling due after more than one year</b>	7	(19,707)	(54,119)
		<u>76,290</u>	<u>63,182</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	50,000	50,000
Profit and loss account		26,290	13,182
		<u>76,290</u>	<u>63,182</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	10	<u>76,290</u>	<u>63,182</u>

These financial statements were approved by the Board of Directors on 17 December 2003.

Signed on behalf of the Board of Directors



P D Morley

Director



**NOTES TO THE ACCOUNTS**

Year ended 30 June 2003

**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 2003 £	Year ended 30 June 2002 £
Geographical analysis of turnover:		
United Kingdom	923,301	1,612,074
	<u>923,301</u>	<u>1,612,074</u>

Turnover derives from the provision of travel services.

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	Year ended 30 June 2003 £	Year ended 30 June 2002 £
Employee costs during the period:		
Wages and salaries	105,898	100,150
Social security costs	8,830	8,374
	<u>114,728</u>	<u>108,524</u>
	<b>No.</b>	<b>No.</b>
Average number of persons employed:		
Service	5	5
Administration	1	1
	<u>6</u>	<u>6</u>

# VACATION CARE TRAVEL CLUB LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 June 2003

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 30 June 2003 £	Year ended 30 June 2002 £
Profit on ordinary activities before taxation is after charging:		
Management fee payable to Vacation Care International Ltd	58,204	80,170
	58,204	80,170

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

During the year no directors received emoluments from the company (2002 : £Nil).

### 5. TAXATION

	Year ended 30 June 2003	Year ended 30 June 2002
<b>(a) Taxation on profit on ordinary activities</b>		
<i>Current tax</i>		
UK Corporation tax based on profit for year	2,534	5,216
Adjustments in respect of previous years	(2,178)	-
	356	5,216
<i>Deferred taxation</i>		
Origination and reversal of timing differences	-	-
Effect of increased tax rate on opening liability	-	-
Changes in recoverable income	-	-
	356	5,216
<b>(b) Factors effecting tax charge for year:</b>		
Profit on ordinary activities before taxation	13,464	15,636
	13,464	15,636
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19%/30%	2,558	4,692
Effects of:		
Expenses not deductible for tax purposes	12	600
Capital allowances for period in excess of depreciation	(36)	(76)
Adjustments to tax charge in respect of prior years	(2,178)	-
Current tax charge for year	356	5,216

VACATION CARE TRAVEL CLUB LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2003

6. DEBTORS

Amounts falling due within one year:

	2003 £	2002 £
Prepayments and accrued income	634	3,291
	<u>634</u>	<u>3,291</u>

7. CREDITORS

Amounts falling due within one year:

	2003 £	2002 £
Trade creditors	161,214	75,065
Other creditors including taxation and social security	4,692	1,247
Amounts owed to parent company	-	7,252
	<u>165,906</u>	<u>83,564</u>

Amounts falling due after more than one year:

	2003 £	2002 £
Amounts owed to parent company	19,707	54,119
	<u>19,707</u>	<u>54,119</u>

8. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation is provided in the accounts as follows:

	2003 £	Provided 2002 £	Not Provided 2003 £	2002 £
Capital allowances in advance of depreciation	-	-	(170)	(226)
Short term timing differences	-	-	-	-
Tax losses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>(170)</u>	<u>(226)</u>

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

	2003 £	2002 £
At 1 July	-	-
Adjustments in respect of prior years	-	-
Charge for the year	-	-
	<u>-</u>	<u>-</u>
30 June	<u>-</u>	<u>-</u>

VACATION CARE TRAVEL CLUB LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2003

9. CALLED UP SHARE CAPITAL

	2003	2002
	£	£
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 2003 £	Total 2002 £
Balance at 1 July 2002	50,000	13,182	63,182	52,762
Profit for period	-	13,108	13,108	10,420
Balance at 30 June 2003	<u>50,000</u>	<u>26,290</u>	<u>76,290</u>	<u>63,182</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.