

ADVISER (168) LIMITED

Report and Financial Statements

30th June 1999



REPORT AND FINANCIAL STATEMENTS 1999

CONTENTS	Page
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 1999

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P D Morley
J F Greengrass

SECRETARY

PD Morley

REGISTERED OFFICE

64 Queen Street
London
EC4R 1AD

AUDITORS

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

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the eight months ended 30 June 1999.

CHANGE OF ACCOUNTING REFERENCE DATE

During the accounting year, the company changed its accounting reference date to 30th June.

ACTIVITIES

The company did not trade during the period.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (1998: £12,806). Retained profits of £Nil (1998: loss £11,014) have been transferred to reserves.

DIRECTORS

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

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.

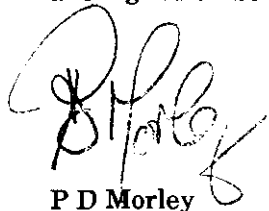
DIRECTORS' AND OFFICERS' LIABILITY

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

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be proposed at the forthcoming Annual General Meeting.

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



P D Morley

Director

23 May 2000

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.

ERNST & YOUNG

ADVISER (168) LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the accounts on pages 5 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of Directors and Auditors

As described on page 3 the company's directors are responsible for the preparation of accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

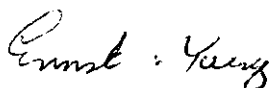
Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 June 1999 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
Southampton

25 May 2000

PROFIT AND LOSS ACCOUNT
Eight Months ended 30 June 1999

	Note	8 Months ended 30 June 1999 £	Year ended 31 October 1998 £
Turnover		-	6,121
Cost of Sales		-	(1,593)
Gross Profit		-	4,528
Loss on disposal of fixed assets		-	(2,717)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	1,811
Tax on profit on ordinary activities		-	(19)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	1,792
Proposed dividend		-	(12,806)
RETAINED (LOSS) FOR YEAR		-	(11,014)
Profit and loss account brought forward		-	11,014
Profit and loss account carried forward	4	-	-


BALANCE SHEET

As at 30 June 1999

	Note	1999 £	1998 £
DEBTORS: amounts falling due after more than one year			
Amounts owed by parent company		2	2
		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	3	2	2
Profit and loss account	4	-	-
		<u>2</u>	<u>2</u>
EQUITY SHAREHOLDERS FUNDS	4	<u>2</u>	<u>2</u>

These financial statements were approved by the Board of Directors on 23 May 2000.

Signed on behalf of the Board of Directors



P D Morley

Director

NOTES TO THE ACCOUNTS

Eight Months ended 30 June 1999

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.

The company is dependent on the continuing support of its parent company Vacation Care International Ltd which has undertaken to provide this support and accordingly, the financial statements have been prepared on a going concern basis.

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the period and consequently neither profit nor loss was made. No emoluments were paid to the directors. Auditors' remuneration was paid by the immediate parent company, Vacation Care International Limited. There are no other recognised gains or losses in either the current or preceding financial period.

3. CALLED UP SHARE CAPITAL

	1999	1998
	£	£
Authorised, allotted and fully paid: 2 ordinary shares of £1 each	2	2

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

	Issued share capital £	Profit and loss account £	Total 1999 £	Total 1998 £
Balance at 1 November 1998	2	-	2	11,016
Profit for year	-	-	-	1,792
Dividends	-	-	-	(12,806)
Balance at 30 June 1999	2	-	2	2

5. 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. Copies of the group financial statements can be obtained from 50 Sheen Lane, London, SW14 8LP.