

VACATION CARE INTERNATIONAL LIMITED

Report and Financial Statements

31st December 2007

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REPORT AND FINANCIAL STATEMENTS 2007

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REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P D Morley
J F Greengrass

SECRETARY

P D Morley

REGISTERED OFFICE

Abacus House
33 Gutter Lane
London
EC2V 8AR

BANKERS

Barclays Bank plc
Kingston Business Centre
6 Clarence Street
Kingston Upon Thames
Surrey
KT1 1NY

HSBC plc
31 Holborn
London
EC1N 2HR

SOLICITORS

Penningtons Solicitors LLP
Abacus House
33 Gutter Lane
London
EC2V 8AR

Jorquera Abogados
Rafael Salgado
7-5O Izda
Madrid 28036
Spain

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

ACTIVITIES, DEVELOPMENTS AND FUTURE PROSPECTS

Vacation • Care is an international group providing professional management services to the leisure and hospitality industries, it is one of the largest independent management companies in Europe

In the industry, Vacation • Care is known as a company with a reputation for excellence and the provision of services of a high value

COMPANY RESULTS

The company made a loss for the year of £11,048 (2006 profit £110,739)

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (2006 £Nil) Retained losses of £11,048 (2006 profit £110,739) have been transferred from reserves

FIXED ASSETS

Details of fixed assets owned during the year are stated in notes 6 and 7

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 parent company, Levelight Limited

DIRECTORS' REPORT

DIRECTORS' AND OFFICERS' LIABILITY

Directors' and officers' liability insurance has been purchased by the 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

A handwritten signature in black ink, appearing to read 'P D Morley', with a stylized flourish at the end.

P D Morley

Director

22 October 2008

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2007

	Note	Year ended 31 December 2007 £	Period ended 31 December 2006 £
TURNOVER	2	1,450,772	2,365,153
Cost of sales		<u>(1,079,505)</u>	<u>(1,806,798)</u>
Gross profit		371,267	558,355
Administrative expenses		(476,456)	(755,126)
Other operating income		63,941	316,980
		<hr/>	<hr/>
(LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(41,248)	120,209
Interest received from bank		1,821	2,604
Interest payable and similar charges		<hr/> -	<hr/> -
(LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(39,427)	122,813
Tax on profit on ordinary activities	5	<u>28,379</u>	<u>(12,074)</u>
(LOSS)/ PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(11,048)	110,739
Dividend proposed		<hr/> -	<hr/> -
RETAINED (LOSS)/ PROFIT FOR PERIOD		(11,048)	110,739
Profit and loss account brought forward		<u>2,616,964</u>	<u>2,506,225</u>
Profit and loss account carried forward		<u><u>2,605,916</u></u>	<u><u>2,616,964</u></u>

All amounts derive from continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

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

BALANCE SHEET
As at 31 December 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Tangible assets	6	16,655	21,795
Investments	7	820,352	820,352
		<u>837,007</u>	<u>842,147</u>
CURRENT ASSETS			
Debtors			
Due within one year	8	75,829	78,405
Due after more than one year	8	3,707,720	2,237,722
Cash at bank and in hand		50,803	33,300
		<u>3,834,352</u>	<u>2,349,427</u>
CREDITORS: amounts falling due within one year	9	(582,771)	(377,189)
NET CURRENT ASSETS		<u>3,251,581</u>	<u>1,972,238</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,088,588	2,814,385
CREDITORS: amounts falling due after more than one year	10	(1,432,672)	(147,421)
		<u>2,655,916</u>	<u>2,666,964</u>
CAPITAL AND RESERVES			
Called up share capital	11	50,000	50,000
Profit and loss account	12	2,605,916	2,616,964
EQUITY SHAREHOLDERS' FUNDS	12	<u>2,655,916</u>	<u>2,666,964</u>

Statements:

- (a) For the year ended 31 December 2007 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 22 October 2008

Signed on behalf of the Board of Directors



P D Morley

Director

NOTES TO THE ACCOUNTS**Year ended 31 December 2007****1. ACCOUNTING POLICIES****Accounting convention**

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards

Tangible fixed assets

Depreciation is provided in equal annual instalments over the estimated useful life of the assets and is calculated on the cost of the assets

The following rates are used

Fixtures, fittings and equipment	20-33% per annum
----------------------------------	------------------

Turnover

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

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 at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Pensions

The company makes contributions to private pension schemes for certain eligible employees. These contributions are charged in the profit and loss account as they become payable.

Leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

Cash flow statements

The Company, a Small Company as defined by S248 of the Companies Act 1985, has applied the exemptions contained within Financial Reporting Standard 1 and not produced a separate cash flow statement.

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

2. TURNOVER

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Geographical analysis of turnover		
United Kingdom	500,628	1,001,089
Other European countries	950,144	1,364,064
	<u>1,450,772</u>	<u>2,365,153</u>

Turnover derives from the provision of management services to leisure resorts and related travel services

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Directors' emoluments		
Consultancy fees	<u>96,914</u>	<u>136,059</u>

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Employee costs during the year:		
Wages and salaries	212,649	295,487
Social security costs	<u>13,430</u>	<u>18,456</u>

	No.	No.
Average number of persons employed:		
Service	6	6
Administration	<u>4</u>	<u>4</u>

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Profit on ordinary activities before taxation is after charging/ (crediting)		
Depreciation of tangible fixed assets	11,679	36,745
Rentals under operating leases		
Hire of plant and machinery	681	4,240
Group management fees paid	319,377	358,813
Group management fees received	(23,119)	(50,258)
Rental paid to parent company	60,000	90,000
Auditors' remuneration - audit fees	-	-
- other services	18,000	18,000
Dividends received from subsidiaries	-	(184,496)
	<u> </u>	<u> </u>

5. TAXATION

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
UK Corporation tax based on profit for year	360	102
Group relief payable/ (recoverable)	(16,429)	-
Adjustments in respect of previous periods	(12,310)	11,972
Total current tax	<u>(28,379)</u>	<u>12,074</u>

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

5. TAXATION (continued)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2006 - 19%) The differences are reconciled below

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Profit on Ordinary activities before tax	(39,427)	122,813
Profit on ordinary activities multiplied by standard rate of corporation tax of 20% (2006 - 19%)	(7,885)	23,334
<i>Effect of</i>		
Non taxable income	(738)	(31,378)
Capital Allowances in excess of depreciation	(1,965)	(1,291)
Group relief [surrendered/(received) for nil payment]	-	7,316
Adjustments in respect of previous periods	(12,310)	11,973
Unrelieved tax losses carried forward	-	2,120
Additional payment for group relief	(5,481)	-
	<u>(28,379)</u>	<u>12,074</u>

6. TANGIBLE FIXED ASSETS

	Fixture, Fittings and Equipment £
Cost	
At 1 January 2007	65,451
Additions	6,539
Disposals	(33,272)
At 31 December 2007	<u>38,718</u>
Depreciation	
At 1 January 2007	43,656
Charge for the year	11,679
Disposals	(33,272)
At 31 December 2007	<u>22,063</u>
Net book value	
At 31 December 2007	<u>16,655</u>
At 31 December 2006	<u>21,795</u>

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

7. INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiary companies £	Subordinated loans £	Total £
Cost			
At 1 January and 31 December 2007	665,041	155,311	820,352
Provision for permanent diminution in value			
At 1 January and 31 December 2007	-	-	-
Net book value			
At 31 December 2007	665,041	155,311	820,352
At 31 December 2006	665,041	155,311	820,352

The subsidiaries of Vacation Care International Limited are as follows

Name	Accounting Period	Profit or (Loss) after tax £	Shareholders Funds £
Trading:			
<i>Registered in England & Wales</i>			
Vacation Care Travel Club Limited	Year ended 31 December 2007	31	75,671
<i>Registered in Spain</i>			
Lider Clean SL	Year ended 31 December 2007	(57,288)	20,062
Lider Hotel SL	Year ended 31 December 2007	(6,968)	13,804
Lider Ocio SA	Year ended 31 December 2007	(1,324)	64,387
Marbella Life SA	Year ended 31 December 2007	(416)	99,202
Vacation Care Canarias SA	Year ended 31 December 2007	(679)	223,780
Vacation Care Espana SA	Year ended 31 December 2007	(167,104)	474,772
<i>Registered in Isle of Man</i>			
Sahara Sunset Management Company Limited	Year ended 31 October 2007	11,748	13,748
Sunset Bay Management Company Limited	Year ended 31 October 2007	(18,556)	18,639
Sunset Harbour Management Company Limited	Year ended 31 October 2007	13,943	15,943
Sunset Management Company Limited	Year ended 31 October 2007	6,988	27,319
Dormant:			
<i>Registered in England & Wales</i>			
Adviser (167) Limited	Year ended 31 December 2007	-	1,000
Adviser (169) Limited	Year ended 31 December 2007	-	(89,692)
Adviser (184) Limited	Year ended 31 December 2007	-	2
GIS Hotel & Leisure Management Limited	Year ended 31 December 2007	-	(19,196)

NOTES TO THE ACCOUNTS**Year ended 31 December 2007****7. INVESTMENTS HELD AS FIXED ASSETS (CONTINUED)**

The shares in Vacation Care Espana SA, Lider Clean SL, Lider Hotel SL and Lider Ocio SA are held by fellow subsidiary undertakings. The remaining 50% of the shares in Lider Ocio SA are held by a subsidiary of the parent company, Levellight Limited.

The company's trading subsidiaries provide services to resort and leisure facilities. In the opinion of the directors the aggregate value of the shares in the subsidiary undertakings is not less than the aggregate of the amounts at which they are stated above.

Consolidated financial statements are not prepared as permitted by S248 of the Companies Act 1985 as the group qualifies as a medium sized group.

8. DEBTORS

	2007	2006
	£	£
Due within one year		
Trade debtors	11,272	5,728
Other debtors	18,947	46,493
Prepayments and accrued income	16,971	14,312
Group relief recoverable from other group companies	28,639	11,872
	<u>75,829</u>	<u>78,405</u>
Due after more than one year		
Amounts owed by parent company	1,137,704	1,098,873
Amounts owed by subsidiary undertakings	2,570,016	1,138,849
	<u><u>3,783,549</u></u>	<u><u>2,316,127</u></u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade creditors	17,618	68,519
Other creditors including taxation and social security	3,949	16,095
Accruals and deferred income	561,204	292,575
	<u><u>582,771</u></u>	<u><u>377,189</u></u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007	2006
	£	£
Amounts owing to subsidiary undertakings	1,432,672	147,421
	<u><u>1,432,672</u></u>	<u><u>147,421</u></u>

NOTES TO THE ACCOUNTS**Year ended 31 December 2007****11. CALLED UP SHARE CAPITAL**

	2007	2006
	£	£
Authorised, allotted and fully paid 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

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

	Issued share capital £	Profit and loss account £	Total 2007 £
At 1 July 2005	50,000	2,506,225	2,556,225
Profit for period	-	110,739	110,739
At 1 January 2007	<u>50,000</u>	<u>2,616,964</u>	<u>2,666,964</u>
(Loss) for year	-	(11,048)	(11,048)
At 31 December 2007	<u>50,000</u>	<u>2,605,916</u>	<u>2,655,916</u>

13. OPERATING LEASE COMMITMENTS

At 31st December 2007 the company had annual commitments under non-cancellable operating leases as set out below

	Plant and Machinery	
	2007	2006
	£	£
Leases which expire		
Within one year	681	-
Within two to five years	-	681
	<u>681</u>	<u>681</u>

14. ULTIMATE PARENT COMPANY

The parent company is Levellight Limited, which is registered in England and Wales. Copies of the financial statements of Levellight Limited can be obtained from 50 Sheen Lane, London, SW14 8LP

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

15. RELATED PARTY TRANSACTIONS

The following details are provided in respect of transactions with other entities within the Levellight Group

Related Party	2007 £	2006 £
Adviser (184) Limited		
Amounts payable at 31 December	2	2
Adviser (167) Limited		
Amounts receivable at 31 December	450,276	450,276
Adviser (169) Limited		
Amounts receivable at 31 December	89,692	89,692
GIS Hotel & Leisure Management Limited		
Amounts receivable at 31 December	19,196	19,196
Levellight Limited		
Management Fee paid	81,714	106,969
Rent paid	60,000	90,000
Amounts receivable at 31 December	1,137,704	1,098,873
Levellight Espana SA		
Amounts receivable at 31 December	895,291	-
Lider Clean SL		
Amounts receivable at 31 December	294,746	-
Lider Hotel SL		
Amounts receivable at 31 December	110,530	-
Sahara Sunset Management Company Limited		
Amounts payable at 31 December	18,869	23,228
Dividend received	-	42,391
Management fee received	-	1,850
Sunset Bay Management Company Limited		
Amounts payable at 31 December	12,995	14,799
Dividend received	-	44,972
Management fee received	-	1,850
Sunset Harbour Management Company Limited		
Amounts payable at 31 December	21,463	27,996
Dividend received	-	45,221
Management fee received	-	1,850
Sunset Management Company Limited		
Amounts payable at 31 December	13,613	15,754
Dividend received	-	51,912
Management fee received	-	1,850
Vacation Care Canarias SA		
Amounts receivable at 31 December	120,793	120,793
Vacation Care Espana SA		
Amounts receivable at 31 December	589,492	458,891
Amounts payable at 31 December	1,290,072	-
Management fee and commissions received	53,016	99,276
Management fee payable	237,663	251,844
Vacation Care Travel Club Limited		
Amounts payable at 31 December	75,659	65,642