

# LEVELLIGHT LIMITED

## Report and Financial Statements

31 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

#### **SOLICITORS**

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

Jorquera Abogados  
Rafael Salgado  
7-50 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

Levellight Limited was incorporated on 28 February 1992 and is the parent company for the Vacation Care International Limited group of companies which were acquired on 31 March 1992. Details of the subsidiaries are given in note 7 to the accounts

## COMPANY RESULTS

The company made a profit for the period of £122,396 (2006 Profit £18,564)

## DIVIDENDS AND TRANSFERS FROM RESERVES

The directors do not recommend the payment of a dividend (2006 £Nil)  
Retained profits of £122,398 (2006 Profit £18,564) have been transferred from reserves

## FIXED ASSETS

Details of tangible fixed assets owned during the year are shown in note 6 to the accounts

## DIRECTORS

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

The directors' interests in the shares of the company were as follows

	Ordinary shares of 50p each	Deferred shares of £1 each
P D Morley	18,000	-
J F Greengrass	18,000	-
P D Morley and J F Greengrass	64,000	550,000

No director had any interest in the shares of any other group company

## **DIRECTORS' REPORT**

### **DIRECTORS' AND OFFICERS' LIABILITY**

Directors' and officers' liability insurance has been purchased by the group 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 long horizontal stroke extending to the right.

P D Morley

Director

27 October 2008

# **PROFIT AND LOSS ACCOUNT**

**Year ended 31 December 2007**

	Note	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Administrative expenses		(106,708)	(136,190)
Other operating income		194,230	272,810
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>87,522</b>	<b>136,620</b>
Interest receivable and similar income	3	154,331	133,156
Interest payable and similar charges	3	(48,012)	(233,381)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	<b>193,841</b>	<b>36,395</b>
Tax on profit on ordinary activities	5	(71,443)	(17,831)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>122,398</b>	<b>18,564</b>
Profit and loss account brought forward		1,667,977	1,649,413
Profit and loss account carried forward		<u>1,790,375</u>	<u>1,667,977</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 £	2007 £	2006 £	2006 £
<b>FIXED ASSETS</b>					
Fixed Assets	6		842,280		862,280
Investments	7		2,471,346		2,471,346
			<u>3,313,626</u>		<u>3,333,626</u>
<b>CURRENT ASSETS</b>					
Debtors					
Due within one year	8	88,313		638,234	
Due after more than one year	8	2,081,243		1,970,502	
Cash at bank and in hand		14,711		15,922	
		<u>2,184,267</u>		<u>2,624,658</u>	
<b>CREDITORS: amounts falling due within one year</b>	9	(76,572)		(706,768)	
				<u></u>	
<b>NET CURRENT ASSETS</b>			<u>2,107,695</u>		<u>1,917,890</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>5,421,321</u>		<u>5,251,516</u>
<b>CREDITORS: amounts falling due after more than one year</b>	9		(1,203,666)		(1,156,259)
			<u>4,217,655</u>		<u>4,095,257</u>
<b>CAPITAL AND RESERVES</b>					
Called up ordinary share capital	10	50,000		50,000	
Deferred shares	10	550,000		550,000	
Share premium account	11	227,280		227,280	
Capital redemption reserve	11	1,600,000		1,600,000	
Profit and loss account	11	1,790,375		1,667,977	
			<u>4,217,655</u>		<u>4,095,257</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>			<u>4,217,655</u>		<u>4,095,257</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>4,217,655</u>		<u>4,095,257</u>

## **Statements:**

- For the year ended 31 December 2007 the company was entitled to exemption under section 249A(1) of the Companies Act 1985
- Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985
- 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
- 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 27 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

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

#### Accounting conventions

The financial statements are prepared under the historical cost convention

#### Tangible fixed assets

Depreciation is provided on cost in equal instalments over the estimated useful lives of the assets. The rates of depreciation are as follows

Freehold Buildings	2% per annum
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#### Investments

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

#### Foreign exchange

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.

#### 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. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
<b>Directors' emoluments</b>		
Consultancy Fees	74,285	97,244
<b>Emoluments of the highest paid director:</b>		
Consultancy fees	50,000	74,247
<b>Employee costs during the period (including directors):</b>		
Wages and salaries	74,285	97,244
<b>Average number of persons employed:</b>		
Service	-	-
Administration	2	2

## 3. INTEREST

### (a) Interest receivable

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Interest receivable from Group Companies	110,741	82,304
Interest receivable from Banks	836	1,376
Other interest	42,754	49,476
	154,331	133,156

### (b) Interest payable

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Interest payable to Group Companies	4,582	187,127
Interest payable to Banks	43,272	46,254
Other Interest	158	-
	48,012	233,381

# 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 £
<b>Profit on ordinary activities before taxation is after charging/ (crediting):</b>		
Depreciation of tangible fixed assets	20,000	30,000
Interest received from Group Companies	(110,741)	(82,304)
Group management fees received	(81,714)	(106,969)
Rentals received	(110,260)	(162,395)
Dividend receivable from subsidiary	-	-
Auditors' remuneration - other services	2,000	2,000
	<u>20,000</u>	<u>30,000</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 on results of the period	37,586	22,397
Group relief payable/ (recoverable)	26,566	(3,680)
Adjustments in respect of previous periods	7,291	(886)
	<u>71,443</u>	<u>17,831</u>

### (b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2006 - 30%) The differences are reconciled below

	Year ended 31 December 2007 £	Period ended 31 December 2006 £
Profit on ordinary activities before tax	<u>193,841</u>	<u>36,395</u>
Profit on ordinary activities multiplied by standard rate of corporation tax of 30% (2006 - 30%)	58,152	10,919
<i>Effect of</i>		
Expenses not deductible for tax purposes	6,000	9,000
Other timing differences	-	1,156
Adjustments in respect of previous periods	7,291	(887)
Utilisation of brought forward tax losses	-	(2,357)
	<u>71,443</u>	<u>17,831</u>

# NOTES TO THE ACCOUNTS

Year ended 31 December 2007

## 6. TANGIBLE FIXED ASSETS

	Freehold land and buildings £
<b>Cost or valuation</b>	
At 1 January 2007 and 31 December 2007	1,000,000
<b>Depreciation</b>	
At 1 January 2007	137,720
Charge for the period	20,000
At 31 December 2007	157,720
<b>Net Book Value</b>	
At 31 December 2007	842,280
At 31 December 2006	862,280

## 7. INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiary undertakings £	Other investments £	Total £
<b>Cost</b>			
At 1 January 2007 and 31 December 2007	2,437,346	84,000	2,521,346
<b>Provision</b>			
At 1 January 2007 and 31 December 2007	-	50,000	50,000
<b>Net book value</b>			
At 1 January 2007 and 31 December 2007	2,437,346	34,000	2,471,346

# NOTES TO THE ACCOUNTS

Year ended 31 December 2007

## 7. INVESTMENTS HELD AS FIXED ASSETS (continued)

The subsidiaries of Levellight Limited are as follows

Name	Accounting Period	Profit or (Loss) after tax £	Shareholders Funds £
<b>Trading:</b>			
<i>Registered in England &amp; Wales</i>			
Vacation Care International Limited	Year ended 31 December 2007	(11,048)	2,655,916
Vacation Care Travel Club Limited	Year ended 31 December 2007	31	75,671
<i>Registered in Spain</i>			
Levellight Espana SA	Year ended 31 December 2007	(140,057)	(811,508)
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	8,988
<b>Dormant:</b>			
<i>Registered in England &amp; 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)

The company owns 100% of the Ordinary Share Capital of all the subsidiaries. The company's trading subsidiaries provide services to resort and leisure facilities.

All shareholdings, except that in Vacation Care International Limited and Levellight Espana SA are held through fellow subsidiary undertakings.

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

# NOTES TO THE ACCOUNTS

Year ended 31 December 2007

## 8. DEBTORS

	2007 £	2006 £
<b>Due within one year:</b>		
Trade debtors	18,752	20,398
Other debtors	11,000	11,000
Loan	52,079	557,960
Prepayments and accrued income	6,482	48,876
	<u>88,313</u>	<u>638,234</u>
<b>Due after more than one year:</b>		
Amounts owed by subsidiary undertaking	2,081,243	1,970,502
	<u>2,081,243</u>	<u>1,970,502</u>

The loan was made to a Club managed by Vacation Care Espana SA in Spain. Interest is charged on the loan at 3.5% above base rate and is secured on the assets of the Club.

## 9. CREDITORS

	2007 £	2006 £
<b>Amounts falling due within one year:</b>		
Bank loan (secured)	-	608,500
Trade creditors	-	6,500
Other creditors including taxation and social security	31,014	33,047
Accruals and deferred income	8,458	58,721
Group relief payable to other group companies	37,100	-
	<u>76,572</u>	<u>706,768</u>
<b>Amounts falling due after more than one year:</b>		
Amounts owing to subsidiary undertakings	1,203,666	1,156,259
	<u>1,203,666</u>	<u>1,156,259</u>

Part of the proceeds of the bank loan were used to make a loan to a resort managed by Vacation Care Espana SA in Spain. The loan bears interest at 2.5% above base rate and is secured by way of a first legal charge over freehold property owned by the company.

# NOTES TO THE ACCOUNTS

Year ended 31 December 2007

## 10. SHARE CAPITAL

	2007 £	2006 £
<b>Authorised:</b>		
102,857 ordinary shares of 50p each	51,429	51,429
550,000 deferred shares of £1 each	550,000	550,000
	<u>601,429</u>	<u>601,429</u>
<b>Called up, allotted and fully paid:</b>		
100,000 ordinary shares of 50p each	50,000	50,000
550,000 deferred shares of £1 each	550,000	550,000
	<u>600,000</u>	<u>600,000</u>

## 11. STATEMENT OF MOVEMENTS ON RESERVES

	Share Premium Reserve £	Capital Redemption Reserve £	Profit and Loss Account £	Total £
At 1 July 2005	227,280	1,600,000	1,649,413	3,476,693
Profit for year	-	-	18,564	18,564
At 1 January 2007	<u>227,280</u>	<u>1,600,000</u>	<u>1,667,977</u>	<u>3,495,257</u>
Profit for the period	-	-	122,398	122,398
At 31 December 2007	<u>227,280</u>	<u>1,600,000</u>	<u>1,790,375</u>	<u>3,617,655</u>

# NOTES TO THE ACCOUNTS

Year ended 31 December 2007

## 12. RELATED PARTY TRANSACTIONS

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

Related Party	2007 £	2006 £
<i>Levellight Espana SA</i>		
Interest receivable	110,741	82,304
Interest payable	4,582	3,852
Amounts receivable at 31 December	2,081,243	1,970,502
Amounts payable at 31 December	65,963	57,386
<i>Sahara Sunset Management Company Limited</i>		
Interest payable	-	61,264
<i>Sunset Bay Management Company Limited</i>		
Interest payable	-	50,914
<i>Sunset Harbour Management Company Limited</i>		
Interest payable	-	9,619
<i>Sunset Management Company Limited</i>		
Interest payable	-	61,478
<i>Vacation Care International Limited</i>		
Management Fee received	81,714	106,969
Rent received	60,000	90,000
Amounts payable at 31 December	1,137,704	1,098,873