

CLUB LA COSTA (UK) PLC

Report and Financial Statements

31 December 2002



REPORT AND FINANCIAL STATEMENTS 2002

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REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R J Bratt
R B Lyons (resigned 1 July 2003)
I Robertson (appointed 1 July 2003)

SECRETARY

Mapa Management & Administration Services Limited

REGISTERED OFFICE

Tudor House
Llanvanor Road
London
NW2 2AQ

BANKERS

Barclays Bank plc
1250 High Road
Whetstone
London
N20 0PB

SOLICITORS

Fladgate Fielder
25 North Row
London
W1K 1DJ

AUDITORS

Deloitte & Touche LLP
Liverpool

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

ACTIVITIES

The principal activity of the company and of the group is the generation of prospects and the sale of products in the leisure and timeshare industry.

BUSINESS REVIEW AND FUTURE PROSPECTS

Trading conditions have remained difficult, although the directors are satisfied with the result for the year, and expect future performance to be satisfactory.

RESULTS AND DIVIDENDS

The profit for the year before taxation amounted to £96,770 (2001: £230,287), and includes a credit of £2,650,000 arising from the write off of balances due to the immediate parent company, CLC Resort Developments Limited (2001: £1,760,000).

The directors do not recommend payment of a dividend (2001: £nil). The profit after tax of £96,770 (2000: £230,287) will be transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and thereafter are noted on page 1.

None of the directors hold any beneficial interest in the shares of the company.

SUPPLIER PAYMENT POLICY

It is group policy to agree and clearly communicate the terms of payment as part of the commercial arrangement negotiated with suppliers and then to pay according to those terms based upon the timely receipt of an accurate invoice.

Trade creditor days of the group for the year ended 31 December 2002 were 54 days (2001: 52 days), calculated in accordance with the requirements set down in the Companies Act 1985. This represents the ratio, expressed in days, between the amounts invoiced to the group by its suppliers in the year, and amounts due at the year end to trade creditors within one year.

AUDITORS

On 1 August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

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



Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 and the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- 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 which disclose with reasonable accuracy at any time the financial position of the company and the group to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLUB LA COSTA (UK) PLC

We have audited the financial statements of Club La Costa (UK) plc for the year ended 31 December 2002 which comprise the consolidated profit and loss account, the statement of total recognised gains and losses, the balance sheets, the consolidated cash flow statement and notes A to C, and the related notes 1 to 20. These financial statements have been prepared under 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 applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 and other members of the group is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

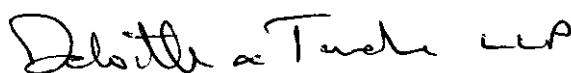
Basis of audit opinion

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 circumstances of the company and the group, 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 and the group as at 31 December 2002 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Liverpool

29 October 2003

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2002

	Note	2002 £	2001 £
TURNOVER	2	7,222,261	6,648,591
Cost of sales		<u>(1,285,646)</u>	<u>(1,342,841)</u>
Gross profit		5,936,615	5,305,750
Administrative expenses		(8,486,214)	(6,833,716)
Other operating income - amounts written off balance due to immediate parent company		<u>2,650,000</u>	<u>1,760,000</u>
OPERATING PROFIT	4	<u>100,401</u>	<u>232,034</u>
Interest receivable		595	3,670
Interest payable and similar charges	5	<u>(4,226)</u>	<u>(5,417)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		96,770	230,287
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION RETAINED FOR THE YEAR		96,770	230,287
Retained loss brought forward		(215,745)	(446,032)
Retained loss carried forward		<u>(118,975)</u>	<u>(215,745)</u>

All activities relate to continuing operations.

There have been no recognised gains and losses for the current and prior financial year other than as stated above, and accordingly a statement of total recognised gains and losses has not been prepared.

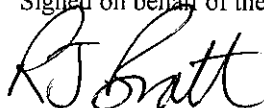
CONSOLIDATED BALANCE SHEET
Year ended 31 December 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Intangible assets	8	15,000	37,500
Tangible assets	7	172,081	207,293
		<u>187,081</u>	<u>244,793</u>
CURRENT ASSETS			
Stocks	10	29,354	29,410
Debtors	11	4,412,480	2,913,902
Debtors due after more than one year	11	1,807,240	1,825,703
Cash at bank and in hand		104,657	72,911
		<u>6,353,731</u>	<u>4,841,926</u>
CREDITORS: amounts falling due within one year	12	<u>(6,159,787)</u>	<u>(4,795,524)</u>
NET CURRENT ASSETS		<u>193,944</u>	<u>46,402</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>381,025</u>	<u>291,195</u>
CREDITORS: amounts falling due after more than one year	13	<u>-</u>	<u>(6,940)</u>
		<u>381,025</u>	<u>284,255</u>
CAPITAL AND RESERVES			
Called up share capital	15	500,000	500,000
Profit and loss account	16	(118,975)	(215,745)
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>381,025</u>	<u>284,255</u>

These financial statements were approved by the Board of Directors on

28/10/03

Signed on behalf of the Board of Directors



Director

BALANCE SHEET
Year ended 31 December 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Intangible assets	8	15,000	37,500
Tangible assets	7	89,113	155,654
Investments	9	90,102	40,103
		<u>194,215</u>	<u>233,257</u>
CURRENT ASSETS			
Stocks	10	29,354	29,410
Debtors	11	4,786,429	3,103,726
Debtors due after more than one year	11	1,658,527	1,734,749
Cash at bank and in hand		101,163	58,725
		<u>6,575,473</u>	<u>4,926,610</u>
CREDITORS: amounts falling due within one year	12	<u>(5,955,663)</u>	<u>(4,579,603)</u>
NET CURRENT ASSETS		<u>619,810</u>	<u>347,007</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		814,025	580,264
CREDITORS: amounts falling due after more than one year	13	-	(6,940)
NET ASSETS		<u>814,025</u>	<u>573,324</u>
CAPITAL AND RESERVES			
Called up share capital	15	500,000	500,000
Profit and loss account	16	314,025	73,324
TOTAL EQUITY SHAREHOLDERS' (DEFICIT)/FUNDS		<u>814,025</u>	<u>573,324</u>

These financial statements were approved by the Board of Directors on

28/10/03

Signed on behalf of the Board of Directors

B Bratt

Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2002

	Note	2002 £	2001 £
Net cash inflow from operating activities	A	146,272	205,572
Returns on investments and servicing of finance			
Interest received		595	3,670
Interest paid		(226)	-
Interest element on hire purchase contracts		(4,000)	(5,417)
		<u>(3,631)</u>	<u>(1,747)</u>
Net cash outflow from returns on investment and servicing of finance		(3,631)	(1,747)
Taxation		1,035	-
Capital expenditure			
Payments to acquire tangible fixed assets		(146,882)	(44,285)
Receipts from sales of tangible fixed assets		22,433	9,578
		<u>(124,449)</u>	<u>(34,707)</u>
Acquisitions and disposals			
Purchase of business		-	(100,000)
		<u>-</u>	<u>(100,000)</u>
Net cash inflow before financing		19,227	69,118
Financing			
Repayment of capital on hire purchase contracts and finance lease rentals		(23,887)	(48,297)
		<u>(23,887)</u>	<u>(48,297)</u>
(Decrease)/increase in cash		<u>(4,660)</u>	<u>20,821</u>

NOTES TO THE CASH FLOW STATEMENT
Year ended 31 December 2002

A. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	100,401	232,034
Depreciation charge	164,206	228,938
Amortisation charge	22,500	132,062
Profit on sale of tangible fixed assets	(4,545)	(7,500)
Decrease in stocks	56	9,915
Increase in debtors	(1,481,114)	(1,209,382)
Increase in creditors	1,344,768	819,505
Net cash inflow from operating activities	146,272	205,572

B. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2002 £	2001 £
Decrease/increase in cash in the year	(4,660)	20,821
Cash flow from change in debt	23,887	48,297
Change in net debt	19,227	69,118
New finance leases	-	(13,122)
	19,227	55,996
Net funds/(debt) at 1 January	46,799	(9,197)
Net funds at 31 December	66,026	46,799

C. ANALYSIS OF NET FUNDS

	At 1 January 2002 £	Cash flows £	At 31 December 2002 £
Bank overdraft	-	(36,406)	(36,406)
Cash in hand, at bank	72,911	31,746	104,657
Finance leases	72,911 (26,112)	(4,660) 23,887	68,251 (2,225)
	46,799	19,227	66,026

NOTES TO THE ACCOUNTS

Year ended 31 December 2002

1. ACCOUNTING POLICIES

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

Accounting convention

The financial statements are prepared under the historical cost convention.

Consolidation and results

The accounts consolidate the results of all companies within the Group to the extent of Group ownership. This is the first occasion where consolidated accounts have been prepared. Therefore, for the profit and loss account and related notes, the comparative figures are different to those reported as the prior year accounts only showed the result of the parent company.

Goodwill

Purchased goodwill is capitalised within intangible fixed assets, and is amortised over its estimated useful economic life.

Tangible fixed assets

Depreciation is provided on cost, less estimated residual value over the estimated useful lives of the assets. The rates of depreciation are as follows:

Motor vehicles	33% straight line
Fixtures and fittings	33% straight line

Leasehold improvements are depreciated over the shorter of five years and the remaining lease term.

Investments

Investments held as fixed assets are stated at cost less provision for impairment. Those held as current assets are stated at the lower of cost and net realisable value.

Deferred taxation – change in accounting policy

FRS 19 'Deferred tax' is effective for accounting periods ending on or after 23 January 2002, therefore, the accounting policy for deferred taxation has been changed. This has not led to a restatement of comparative figures.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Leases and Hire Purchase Contracts

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over the shorter of the lease term and their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Operating lease rentals

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Foreign Exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the profit and loss account.

NOTES TO THE ACCOUNTS**Year ended 31 December 2002****1. ACCOUNTING POLICIES (continued)****Pension costs**

Contributions are made to certain individual employees' personal pension schemes. The assets of the schemes are held separately from those of the group in funds administered by independent third parties. The pension cost charge represents contributions payable by the Group.

Profit and loss account

The format of the profit and loss account has been amended to reposition the caption 'Other operating income - amounts written off balance due to immediate parent company' and the comparatives figures are shown on a consistent basis. There is no change to the amount previously recorded under this caption or to the profit for the year, however, as the caption was previously shown below Operating Profit, the amendment has had the impact of changing the operating loss of £1,527,966 for 2001 to an operating profit of £232,034. The cash flow statement and note A for 2001 have been updated accordingly.

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of discounts and Value Added Tax.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2002 £	2001 £
Directors' remuneration		
Remuneration for management services	114,833	102,500
	No.	No.
Average number of persons employed		
Marketing and sales	195	191
Administration	24	21
	219	212
	£	£
Staff costs during the year (including directors)		
Wages and salaries	3,303,673	2,947,161
Social security costs	241,956	237,623
Pension contributions	5,155	4,221
	3,550,784	3,189,005

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

4. OPERATING PROFIT

	2002 £	2001 £
Operating profit is after charging/(crediting):		
Depreciation:		
Owned assets	150,609	186,437
Leased assets	13,597	42,501
Amortisation of goodwill	22,500	132,062
Rentals under operating leases:		
Other	317,858	167,835
Plant and machinery	3,166	-
Auditors' remuneration		
Audit fees	28,500	28,000
Other services	9,000	9,000
Profit on sale of fixed assets	(4,567)	(7,500)

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	2001 £
Bank overdraft	226	-
Hire purchase interest	4,000	5,417
	<u>4,226</u>	<u>5,417</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
United Kingdom corporation tax at 30% (2001 - 30%) based on the profit for the year	-	-
Adjustments in respect of prior years	-	-
Tax on profit on ordinary activities	-	-

The tax charge for the year is lower (2001: lower) than that resulting from applying the standard rate of corporation tax in the UK of 30% (2001: 30%). The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before taxation	96,770	230,287
Tax at 30% thereon:	29,031	69,086
Effect of:		
Expenses not deductible for tax purposes	13,370	57,836
Capital allowances in excess of depreciation	12,382	25,582
Movement in short term timing differences	7,200	(2,250)
Amortisation of goodwill	6,750	39,618
Amounts written off balance due to immediate parent company	(795,000)	(528,000)
Carry forward of tax losses	726,267	338,128
	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS

Year ended 31 December 2002

7. TANGIBLE FIXED ASSETS

The Group	Leasehold Improvements	Motor vehicles	Fixtures & fittings	Total
Cost	£	£	£	£
At 1 January 2002	185,028	127,175	338,461	650,664
Additions	26,333	-	120,547	146,882
Disposals	-	(25,601)	(41,109)	(66,710)
At 31 December 2002	211,361	101,574	417,899	730,834
Accumulated depreciation				
At 1 January 2002	131,402	100,541	211,428	443,371
Charge for the year	42,733	19,818	101,655	164,206
Disposals	-	(22,757)	(26,067)	(48,824)
At 31 December 2002	174,135	97,602	287,016	558,753
Net book value				
At 31 December 2002	37,226	3,972	130,883	172,081
At 31 December 2001	53,626	26,634	127,033	207,293

Included above are assets with net book value of £2,472 (2000 £26,634) in respect of assets held under finance leases and hire purchase contracts.

The Company	Leasehold Improvements	Motor vehicles	Fixtures & fittings	Total
Cost	£	£	£	£
At 1 January 2002	145,232	107,175	238,074	490,481
Additions	16,802	-	47,305	64,107
Disposals	-	(25,601)	(16,600)	(42,201)
At 31 December 2002	162,034	81,574	268,779	512,387
Accumulated depreciation				
At 1 January 2002	99,900	81,916	153,011	334,827
Charge for the year	33,910	19,942	68,659	122,511
Disposals	-	(22,755)	(11,309)	(34,064)
At 31 December 2002	133,810	79,103	210,361	423,274
Net book value				
At 31 December 2002	28,224	2,471	58,418	89,113
At 31 December 2001	45,332	25,259	85,063	155,654

Included above are assets with net book value of £2,472 (2001 £25,259) in respect of assets held under finance leases and hire purchase contracts.

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

8. INTANGIBLE FIXED ASSETS

	Group Goodwill £	Company Goodwill £
Cost		
At 1 January 2002	524,755	115,000
Disposals	(25,000)	(25,000)
	<hr/>	<hr/>
At 31 December 2002	499,755	90,000
	<hr/>	<hr/>
Accumulated amortisation		
At 1 January 2002	487,255	77,500
Disposals	(25,000)	(25,000)
Charge for the year	22,500	22,500
	<hr/>	<hr/>
At 31 December 2002	484,755	75,000
	<hr/>	<hr/>
Net book value		
At 31 December 2002	15,000	15,000
	<hr/>	<hr/>
At 31 December 2001	37,500	37,500
	<hr/>	<hr/>

9. INVESTMENTS HELD AS FIXED ASSETS

The company	£
Shares in subsidiary undertakings (see note 20)	
Cost at 1 January 2002	40,103
Additions	49,999
	<hr/>
Cost at 31 December 2002	90,102
	<hr/>

10. STOCKS

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Consumables	29,354	29,410	29,354	29,410
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

11. DEBTORS

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade debtors	4,312,709	3,420,558	4,092,078	3,212,555
Amounts owed by group undertakings	454,996	298,335	1,075,600	741,987
Amounts owed by related undertakings	941,754	622,614	940,546	622,654
Other debtors	254,738	192,342	212,035	161,816
Prepayments and accrued income	255,523	204,757	124,683	99,463
Corporation tax recoverable	-	999	14	-
	<u>6,219,720</u>	<u>4,739,605</u>	<u>6,444,956</u>	<u>4,838,475</u>

Trade debtors for the Group and Company include amounts of £1,807,240 (2001: £1,825,703) and £1,658,527 (2001: £1,734,749) respectively which fall due for payment after more than one year. Of the trade debtors balance of the Group and the Company, £971,357 (2001: 987,668) has been collected by a fellow group undertaking.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	36,406	-	31,963	-
Trade creditors	884,890	655,907	793,852	574,761
Obligations under finance leases	2,225	19,172	2,225	19,172
Amounts owed to group undertakings	2,688,722	1,107,317	3,239,364	1,627,240
Amounts owed to related undertakings	2,113,380	2,613,344	1,554,018	2,071,492
Other taxes and social security	76,760	57,856	48,633	34,065
Other creditors	249,887	255,887	216,590	212,011
Accruals and deferred income	107,481	86,041	69,018	40,862
Corporation tax	36	-	-	-
	<u>6,159,787</u>	<u>4,795,524</u>	<u>5,955,663</u>	<u>4,579,603</u>

Trade creditors of the group includes £628,326 (2001: £574,788) payable to related parties. Trade creditors of the company includes £584,149 (2001: £520,453) payable to related parties.

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

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	<u>-</u>	<u>6,940</u>	<u>-</u>	<u>6,940</u>

Obligations under finance leases are secured on the related assets.

NOTES TO THE ACCOUNTS

Year ended 31 December 2002

14. PROVISIONS FOR LIABILITIES AND CHARGES

There is no provided deferred tax for either the Group or the Company at 31 December 2002 (2001: £nil).

The Group

A potential deferred tax asset of £1,792,000 (2001: £1,041,000), relating mainly to trading losses carried forward, has not been recognised as there is insufficient evidence that the asset will be recovered.

The Company

A potential deferred tax asset of £1,681,000 (2001: £1,017,000), relating mainly to trading losses carried forward, has not been recognised as there is insufficient evidence that the asset will be recovered.

The assets would be recovered if there are sufficient future profits in the Club La Costa (UK) plc group companies to utilise the losses.

15. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Called up, allotted and fully paid		
500,000 ordinary shares of 1 each	500,000	500,000

16. PROFIT AND LOSS ACCOUNT

	Group 2002 £	Company 2002 £
Accumulated (losses)/profits at 1 January 2002	(215,745)	73,324
Profit for the financial year	96,770	240,701
Accumulated losses at 31 December 2002	(118,975)	314,025

As permitted by Section 230 of the Companies Act 1985 the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit for the financial year amounted to £240,701 (2001 - £257,258).

17. FINANCIAL COMMITMENTS

The Group and Company had no capital commitments at 31 December 2002 (2001 - nil).

The Group and Company had the following commitments under non-cancellable operating leases at 31 December 2002:

Operating lease commitments	Group and Company Other 2002 £	Group Land and Buildings 2002 £	Company Land and Buildings 2002 £
Leases which expire:			
Within one year	-	60,100	52,000
Within two to five years	150,334	66,658	66,658
	150,334	126,758	118,658

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

18. ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY

The immediate parent company is CLC Resort Developments Limited, a company incorporated in the Isle of Man. The ultimate parent company is Glinton Limited, a company incorporated in the Isle of Man.

The company and the group are under the control of Ledger (I.O.M) Trustees Company Limited.

19. RELATED PARTY TRANSACTIONS

During the year the group made the following related party transactions:

Related party	Operating costs/recharges		Sales to related party		Amounted owed (to)/by related party at year end	
	2002 £	2001 £	2002 £	2001 £	2002 £	2001 £
Group companies:						
CLC Resort Developments Limited	(437,814)	-	-	430	(2,211,074)	(1,107,317)
CLC Resort Management Limited	(4,990)	-	26,432	389,308	(231,361)	172,910
Duchally House Leisure Limited	(52,371)	-	-	19,461	(20,801)	31,570
Duchally House Resorts Limited	-	-	80,780	67,839	148,619	67,839
Marina del Sol Management SL	-	-	1,855	-	1,855	-
Glinton Limited	-	-	9,997	18,973	28,790	18,973
European Resort Management Limited	-	-	-	7,043	7,043	7,043
Companies under common control:						
CLC Developments Limited	-	-	-	-	-	(330,091)
First Holiday Finance Limited	-	-	16,052	-	(971,149)	(987,202)
Consolidated Resorts Limited	(38,881)	(28,597)	-	-	(115,077)	(76,195)
CLC Holdings Limited	-	-	-	-	(937,133)	(607,042)
Club La Costa plc	(76,139)	(49,844)	-	509	(484,215)	(612,420)
CLC Management Services Limited	(2,204)	-	-	622,614	858,560	622,614
CLC Options Management Limited	(275)	(395)	-	-	(275)	(395)
CLC Operacions	(9,327)	-	-	-	(9,327)	-
CLC Las Farolas	(55)	-	-	-	(55)	-
Sunningdale Sales Ltd	-	-	144	-	144	-
Leisure Research Studies Ltd	-	-	1,740	-	1,740	-
Twinspeed Ltd (trading as Whites Limousines)	-	-	79,471	-	79,471	-

NOTES TO THE ACCOUNTS

Year ended 31 December 2002

19. RELATED PARTY TRANSACTIONS (continued)

The balances with First Holiday Finance Limited, CLC Developments Limited and CLC Resort Developments Limited relate to amounts funded from these companies. These balances are repayable on demand and provided interest free.

20. ADDITIONAL INFORMATION ON SUBSIDIARIES

The wholly owned subsidiary companies (unless otherwise stated) of Club La Costa (UK) plc (a company incorporated in England and Wales) are:

Incorporated in England and Wales

Club La Costa Promotions Limited
Leisure Network Limited
Sunscares International Limited
Soundline Limited
Club la Costa Travel Limited

All of the subsidiaries are involved in the generation of prospects and sale of products in the leisure and timeshare industry.

Club La Costa Travel Limited was incorporated in October 2002 and is a wholly owned subsidiary of Club La Costa (UK) plc. Club La Costa Travel Limited had not commenced trading at 31 December 2002.