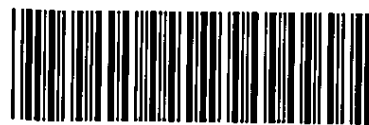

SILVER SKI HOLIDAYS LIMITED

**DIRECTOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2007**

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SILVER SKI HOLIDAYS LIMITED

Company Information

Directors	B Sill L Silver
Secretary	Mrs H Naylor
Company Number	1897706 (England & Wales)
Registered Office.	Gun Wharf 124 Wapping High Street London E1W 2NJ
Auditor	P B Harrington, FCA Blandford House 77 Shrivenham Hundred Business Park Majors Road Watchfield Swindon SN6 8TY

SILVER SKI HOLIDAYS LIMITED

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SILVER SKI HOLIDAYS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2007

The directors present their report and the financial statements for the year ended 30 April 2007

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 and group and of the profit or loss of the company and group for that period. In preparing those financial statements the directors are required to -

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year after taxation, amounted to £52,993 (2006 - £44,979)

Principal activities and review of business

The group's principal activity during the period was tour operators specialising in package ski holidays in the French Alps. Subsidiary companies own property in France which is used for the purposes of the group's business.

The group had another successful year of trading.

Euros

The company has many years of experience in dealing with foreign currency fluctuations given the business operations which are undertaken in France and consider that monetary union will not have any adverse cost implications for the company. Full monetary union including Great Britain would be beneficial.

Auditor

The auditor, P B Harrington Chartered Accountant and Registered Auditor, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 18 July 2007 and signed on its behalf



H NAYLOR
Secretary

SILVER SKI HOLIDAYS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SILVER SKI HOLIDAYS LIMITED

I have audited the consolidated financial statements of Silver Ski Holidays Limited and its subsidiaries for the year ended 30 April 2007 as set out on pages 4 – 16, which comprise the Profit and Loss Account and the Balance Sheet. These financial statements have been prepared under the accounting policies set out on page 7.

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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

It is my responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1986. I also report to you if, in my opinion, the Directors' Report is not consistent with the financial statements. If the company has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

I read the Director's Report and consider the implications for my report if I become aware of any apparent misstatements within it.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) 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.

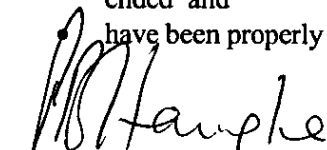
I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs and the Group as at 30 April 2007 and of its profit for the year then ended and

have been properly prepared in accordance with the Companies Act 1985.



P B Harrington Chartered Accountant and Registered Auditor

Dated 18 July 2007

Blandford House
77 Shrivenham Hundred Business Park
Majors Road, Watchfield
Swindon, SN6 8TY

SILVER SKI HOLIDAYS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 30 April 2007

		Note	2007 £	2006 £
TURNOVER	Existing		4,069,051	4,144,764
	Acquired		<u>314,963</u>	<u>270,183</u>
	Total	1 2	4,384,014	4,414,947
Cost of sales			<u>(3,233,258)</u>	<u>(3,264,364)</u>
GROSS PROFIT			1,150,756	1,150,583
Selling and distribution costs			(151,343)	(146,955)
Administration expenses			(979,893)	(982,437)
Other operating income			<u>81,800</u>	<u>93,100</u>
OPERATING PROFIT	Continuing operations		154,171	249,297
	Acquired operations		<u>(52,851)</u>	<u>(135,006)</u>
OPERATING PROFIT		3	101,320	114,291
Interest receivable		6	30	2,602
Interest payable		7	<u>(23,778)</u>	<u>(20,998)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			77,572	95,895
TAXATION ON PROFIT ON ORDINARY ACTIVITIES		8	<u>(24,579)</u>	<u>(50,916)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		9	52,993	44,979
RETAINED PROFIT BROUGHT FORWARD			<u>1,572,358</u>	<u>1,527,379</u>
RETAINED PROFIT CARRIED FORWARD			<u>£1,625,351</u>	<u>£1,572,358</u>

All amounts relate to continuing operations. The analysis between existing operations and acquired operations is disclosed in Note 2.

There were no recognised gains and losses for 2007 or 2006 other than those included in the profit and loss account.

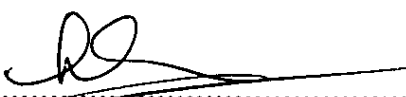
The notes on pages 6 to 15 form part of these financial statements.

SILVER SKI HOLIDAYS LIMITED

CONSOLIDATED BALANCE SHEET as at 30 April 2007

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible fixed assets	10		3,876,607		3,890,120
CURRENT ASSETS					
Stock			12,750		10,550
Debtors	12		125,928		167,370
Cash at bank and in hand			<u>9,336</u>		<u>7,581</u>
			148,014		185,501
CREDITORS amounts falling due within one year	13		<u>(449,276)</u>		<u>(552,483)</u>
NET CURRENT (LIABILITIES)/ASSETS			<u>(301,262)</u>		<u>(366,982)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,575,345		3,523,138
CREDITORS amounts falling due after more than one year	14		<u>-</u>		<u>(786)</u>
NET ASSETS			<u>£3,575,345</u>		<u>£3,522,352</u>
CAPITAL AND RESERVES					
Called up share capital	15		50,000		50,000
Revaluation reserve	16		1,899,994		1,899,994
Profit and loss account			<u>1,625,351</u>		<u>1,572,358</u>
SHAREHOLDERS' FUNDS – All equity	17		<u>£3,575,345</u>		<u>£3,522,352</u>

The financial statements were approved by the Board on 18 July 2007 and signed on its behalf


 , Director


The notes on pages 6 to 15 form part of these financial statements

SILVER SKI HOLIDAYS LIMITED

COMPANY BALANCE SHEET as at 30 April 2007

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible fixed assets	10		53,748		35,902
Investments	11		1,958,155		1,936,249
CURRENT ASSETS					
Debtors	12	125,928		167,370	
Cash at bank and in hand			<u>3,728</u>		<u>1,941</u>
			129,656		169,311
CREDITORS amounts falling due within one year	13		<u>697,068</u>		<u>684,184</u>
NET CURRENT ASSETS/(LIABILITIES)			<u>(567,412)</u>		<u>(514,873)</u>
TOTAL ASSETS					
LESS CURRENT LIABILITIES			1,444,491		1,457,278
CREDITORS amounts falling due after more than one year	14		<u>-</u>		<u>786</u>
NET ASSETS			<u>£1,444,491</u>		<u>£1,456,492</u>
CAPITAL AND RESERVES					
Called up share capital	15		50,000		50,000
Profit and loss account			<u>1,394,491</u>		<u>1,406,492</u>
SHAREHOLDERS' FUNDS – All equity	17		<u>£1,444,491</u>		<u>£1,456,492</u>

The financial statements were approved by the Board on 18 July 2007 and signed on its behalf

.........., Director

The notes on pages 6 to 15 form part of these financial statements

SILVER SKI HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2007

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and include the results of the company's operations which are described in the Directors' Report and all of which are continuing

1.2 Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective March 2000)

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the group, exclusive of Value Added Tax and trade discounts

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold buildings	-	Nil%	
Leasehold buildings	-	1%	based on lease term
Plant and machinery	-	25%	reducing balance
Motor vehicles	-	25%	reducing balance
Fixtures and fittings	-	25%	reducing balance
Leasehold improvements	-	10%	reducing balance

All the freehold properties owned by the group are holiday chalet properties situated in the French Alps, used in the tour operator business. All the freehold properties owned by the group were independently valued in 2003 by 'Immobilière Courcheval'. All valuations are on an open market existing use basis and the directors consider that the valuations reflect the current values. Freehold properties are let on annual operating leases to Silver Ski Holidays Limited. No depreciation is provided on the freehold land and buildings owned by the Group, as it is the group's policy to maintain its properties in such condition that the

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2007

value to the business of the property as a whole is not impaired by the passage of time. As a consequence, any element of depreciation would, in the opinion of the directors, be immaterial. The maintenance costs are charged to the profit and loss account in the year incurred. This accounting treatment, which is a departure from the statutory requirement is, in the opinion of the directors, necessary to provide a true and fair view.

1.4 Goodwill

Goodwill arising on consolidation is written off to profit and loss account on acquisition.

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.7 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.8 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

SILVER SKI HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2007

2. SEGMENTAL ANALYSIS

An analysis of turnover by class of business is given below

	<u>2007</u> £	<u>2006</u> £
Ski Tour operator – existing operations	4,069,051	4,144,764
Race track/stadia operator – acquired operations	<u>314,963</u>	<u>270,183</u>
Total	<u>£4,384,014</u>	<u>£4,414,947</u>

A geographical analysis of turnover is as follows

United Kingdom	314,963	270,183
Europe	<u>4,069,051</u>	<u>4,144,764</u>
	<u>£4,384,014</u>	<u>£4,414,947</u>

An analysis of profit before tax by class of business is given below

)	Tour operators – existing operations	130,423	230,901
	Stadia operators – acquired operations	<u>(52,851)</u>	<u>(135,006)</u>
	Total	<u>£77,572</u>	<u>£95,895</u>

All profit before tax arose within the United Kingdom

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	<u>2007</u> £	<u>2006</u> £
Depreciation of tangible fixed assets		
- owned by the company	44,815	41,080
- held under finance leases and hire purchase contracts	4,459	5,945
Audit fees	<u>22,000</u>	<u>21,500</u>

SILVER SKI HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2007

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows	<u>2007</u>	<u>2006</u>
	£	£
Wages and salaries	425,087	414,230
Social security costs	<u>23,882</u>	<u>19,527</u>
	<u>£448,969</u>	<u>£433,757</u>

The average monthly number of employees including directors, during the year was as follows -

	<u>2007</u>	<u>2006</u>
	£	£
Office and administration	13	13
Field support	58	58
Stadia management	<u>3</u>	<u>3</u>
	<u>£74</u>	<u>£74</u>

5. DIRECTORS' REMUNERATION

	<u>2007</u>	<u>2006</u>
Aggregate emoluments	<u>£52,775</u>	<u>£47,660</u>

6. INTEREST RECEIVABLE

	<u>2007</u>	<u>2006</u>
Other interest receivable	<u>£30</u>	<u>£2,602</u>

7. INTEREST PAYABLE

	<u>2007</u>	<u>2006</u>
On bank loans and overdrafts	<u>£23,778</u>	<u>£20,998</u>

8. TAXATION

	<u>2007</u>	<u>2006</u>
	£	£
Corporation tax overprovision in previous year	(12,546)	-
French Corporation Tax	37,125	38,371
UK Corporation Tax based on profit for the year at 19%	<u>-</u>	<u>12,545</u>
	<u>£24,579</u>	<u>£50,916</u>

SILVER SKI HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2007

9. PROFIT FOR THE FINANCIAL YEAR

As permitted by Section 230 of the Companies Act 1985, the profit and loss of the company is not presented as part of these financial statements

The consolidated profit for the financial year of £51,993 (2006 - £44,979) includes £12,001 (2006 - £59,627) which is dealt with in the financial statements of the company

10. TANGIBLE FIXED ASSETS

Group	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Long Leasehold Property £	Total £
Cost or valuation						
At 1 May 2006	3,245,288	209,669	67,692	78,952	592,190	4,193,791
Additions	-	-	-	36,770	-	36,770
Disposals	-	-	-	(4,250)	-	(4,250)
At 30 April 2007	<u>3,245,288</u>	<u>209,669</u>	<u>67,692</u>	<u>111,472</u>	<u>592,190</u>	<u>4,226,311</u>
Depreciation						
At 1 May 2006	-	42,350	63,806	39,882	157,633	303,671
Charge for year	-	5,435	971	16,952	25,916	49,274
On disposal	-	-	-	(3,241)	-	(3,241)
At 30 April 2006	<u>-</u>	<u>47,785</u>	<u>64,777</u>	<u>53,593</u>	<u>183,549</u>	<u>349,704</u>
Net Book Value						
At 30 April 2007	<u>£3,245,288</u>	<u>£161,884</u>	<u>£2,915</u>	<u>£57,879</u>	<u>£408,641</u>	<u>£3,876,607</u>
At 30 April 2006	<u>£3,245,288</u>	<u>£167,319</u>	<u>£3,886</u>	<u>£39,070</u>	<u>£434,557</u>	<u>£3,890,120</u>

Included in land and buildings is freehold land and buildings valued at £3,245,288 (2006 - £3,245,288) which is not depreciated

Included above are assets held under finance leases or hire purchase contracts as follows -

	2007	2006
Motor vehicles	<u>£13,337</u>	<u>£17,836</u>

SILVER SKI HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2007

All the freehold properties owned by the group are holiday chalet properties situated in the French Alps, used in the tour operator business. All the freehold properties owned by the group were independently valued in 2003 by 'Immobilier Courcheval'. All valuations are on an open market existing use basis and the directors consider that the valuations reflect the current values. Freehold properties are let on annual operating leases to Silver Ski Holidays Limited.

Company

	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
Cost or valuation			
At 1 May 2006	67,692	71,753	139,445
Disposals	-	(4,250)	(4,250)
Additions	-	36,770	36,770
At 30 April 2007	<u>67,692</u>	<u>104,273</u>	<u>171,965</u>
Depreciation			
At 1 May 2006	63,806	39,737	103,543
Charge for year	971	16,944	17,915
On disposal	-	(3,241)	(3,241)
At 30 April 2006	<u>64,777</u>	<u>53,440</u>	<u>118,217</u>
Net Book Value			
At 30 April 2007	<u>£2,915</u>	<u>£50,833</u>	<u>£53,748</u>
At 30 April 2006	<u>£3,886</u>	<u>£32,016</u>	<u>£35,902</u>

Included above are assets held under finance leases or hire purchase contracts as follows -

	2007	2006
Motor vehicles at book value	<u>£13,337</u>	<u>£17,836</u>

SILVER SKI HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2007

11. FIXED ASSET INVESTMENTS

Company	Shares in Group Undertakings £	Loans to Group Undertakings £	Total £
Cost			
At 1 5 06	462,051	1,474,198	1,936,249
Additions	-	21,906	21,906
At 30 4 07	<u>462,051</u>	<u>1,496,104</u>	<u>1,958,155</u>
Net Book Value			
At 30 April 2007	<u>£462,051</u>	<u>£1,496,104</u>	<u>£1,958,155</u>
At 30 April 2006	<u>£462,051</u>	<u>£1,474,198</u>	<u>£1,936,249</u>

Investments include an investment in a subsidiary, Valsarock Limited, comprising a holding of 100% of its issued ordinary capital

Investments include an investment in a subsidiary, SCI Topaz, a company registered in France, comprising a holding of 100% of its issued ordinary capital

Investments include an investment in a subsidiary, SCI Bon Nieve, a company registered in France, comprising a holding of 100% of its issued ordinary capital

Details of the investments, all of which are held by Silver Ski Holidays Limited or a wholly owned subsidiary, where the group holds more than 20% of the nominal value of any class of share capital are as follows -

Name of company	Country of incorporation	Holding	Proportion Held	Nature of business
Valsarock Limited	UK	100 ord shares	100%	property ownership
SCI Bon Nieve	France	209,107 ord shares	100%	property ownership
SCITopaz	France	15,000 ord shares	100%	property ownership
Carter & Bailey Ltd	UK	1,000 ord shares	100%	track/stadia operator

Carter & Bailey Limited was acquired on 14 July 2000 with effect from 1 July 2000. The purchase comprised 100% of the share capital of that company.

SILVER SKI HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2007

12. DEBTORS

Due within one year

	2007	2006
	£	£
Group		
Other debtors	50,712	46,576
Prepayments and accrued income	<u>75,216</u>	<u>120,794</u>
	<u>£125,928</u>	<u>£167,370</u>
Company		
Prepayments and accrued income	75,216	120,794
Other debtors	<u>50,712</u>	<u>46,576</u>
	<u>£125,928</u>	<u>£167,370</u>

13. CREDITORS

Amounts falling due within one year

	2007	2006
	£	£
Group		
Corporation tax	-	12,545
Bank loans and overdrafts	288,783	343,097
Net obligations under finance lease and hire purchase contracts	785	9,423
Trade creditors	74,352	125,855
Social security and other taxes	10,013	13,825
Other creditors	49,343	26,238
Accruals and deferred income	<u>26,000</u>	<u>21,500</u>
	<u>£449,276</u>	<u>£552,483</u>
Company		
Corporation tax	-	12,545
Bank loans and overdrafts	288,783	343,097
Net obligations under finance lease and hire purchase contracts	785	9,423
Trade creditors	74,352	125,855
Amounts owed to group undertakings	274,374	156,529
Social security and other taxes	7,297	13,825
Other creditors	29,477	1,410
Accruals and deferred income	<u>22,000</u>	<u>21,500</u>
	<u>£697,068</u>	<u>£684,184</u>

SILVER SKI HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2007

14. CREDITORS

Amounts falling due after more than one year	2007	2006
	£	£
Group		
Hire purchase	£ -	£786
Company	2007	2006
Hire purchase	£ -	£786

15. CALLED UP SHARE CAPITAL

	2007	2006
Authorised		
50,000 ordinary shares of £1 each	£50,000	£50,000
Authorised, allotted, called up and fully paid		
50,000 ordinary shares of £1 each	£50,000	£50,000

16. RESERVES

	2007	2006
Revaluation Reserve	£1,899,994	£1,899,994

SILVER SKI HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2007

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Group		
Profit/(Loss) for the year	52,993	44,979
Opening shareholders' funds	<u>3,522,352</u>	<u>3,477,373</u>
Closing shareholders' funds	<u>£3,575,345</u>	<u>£3,522,352</u>
	2007 £	2006 £
Company		
(Loss)/Profit for the year	(12,001)	59,627
Opening shareholders' funds	<u>1,456,492</u>	<u>1,396,865</u>
Closing shareholders' funds	<u>£1,444,491</u>	<u>£1,456,492</u>

18. RELATED PARTIES

The company rents properties from subsidiary companies and in the year ended 30 April 2007 the rent charged from Valsarock Ltd was £117,845 (2006 £120,358) SCI Bon Neige £18,471 (2006 £17,194), SCI Topaz £28,399 (2006 £26,708)

19. ULTIMATE CONTROLLING PARTY

Mr Silver controls the company by virtue of his shareholding