

Rhinefield Time Share Management Limited

Directors' report and financial statements

31 October 1995

Registered number 1992395



Rhinefield Time Share Management Limited

Director's report and financial statements

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Rhinefield Time Share Management Limited

Directors' report

The director has pleasure in presenting his annual report and the audited financial statements of the Company for the year ended 31 October 1995.

Principal activity and review of results

The principal activity of the company is the management of timeshare apartments. The results for the year are presented on page 4 of the financial statements.

Dividends

The director does not recommend the payment of a dividend (1994: £Nil).

Directors

The director who served throughout the year was as follows:

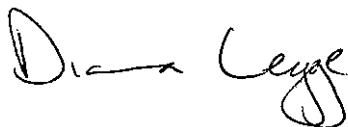
W M F Herriot

The director had no disclosable interest in the shares of the Company or of any other group companies.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



D Legge
Secretary

Rhinefield Time Share Management Limited

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 of the profit or loss of the Company 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, 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



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Report of the auditors to the members of Rhinefield Time Share Management Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 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.

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 the Company's affairs as at 31 October 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
Registered Auditors

16 July 1996

Rhinefield Time Share Management Limited

Profit and loss account for the year ended 31 October 1995

	<i>Note</i>	Year ended 31 October 1995 £	10 months ended 31 October 1994 £
Turnover	<i>1b</i>	116,831	90,734
Cost of sales		(64,976)	(47,647)
Gross profit		<u>51,855</u>	<u>43,087</u>
Administrative expenses		(73,210)	(64,866)
Operating loss		<u>(21,355)</u>	<u>(21,779)</u>
Interest receivable & similar income	<i>2</i>	7,413	3,489
Loss on ordinary activities before taxation	<i>3</i>	<u>(13,942)</u>	<u>(18,290)</u>
Tax on loss on ordinary activities	<i>6</i>	7,487	(7,232)
Loss retained for the year		<u>(6,455)</u>	<u>(25,522)</u>
Profit and loss account brought forward		(211,242)	(185,720)
Profit and loss account carried forward		<u><u>(217,697)</u></u>	<u><u>(211,242)</u></u>

The notes on pages 6 to 9 form part of these financial statements.

The profit before taxation of the company arose solely from continuing activities. There were no recognised gains or losses in the year other than those disclosed in the profit and loss account above, and there were no movements in shareholders' funds other than the profit retained for the year.

Rhinefield Time Share Management Limited

Balance sheet at 31 October 1995

	Notes	31 October 1995		31 October 1994	
		£	£	£	£
Fixed assets	7				
Tangible assets			628		756
Current assets	8				
Debtors		73,802		41,324	
Cash at bank		373,131		296,037	
		<u>446,933</u>		<u>337,361</u>	
Creditors: amounts falling due within one year	9	<u>(610,969)</u>		<u>(497,278)</u>	
Net current liabilities			<u>(164,036)</u>		<u>(159,917)</u>
Total assets less current liabilities			<u>(163,408)</u>		<u>(159,917)</u>
Provision for liabilities and charges	10		<u>(54,287)</u>		<u>(52,079)</u>
Net liabilities			<u>(217,695)</u>		<u>(211,240)</u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account			<u>(217,697)</u>		<u>(211,242)</u>
Shareholders' funds			<u>(217,695)</u>		<u>(211,240)</u>

These financial statements were approved by the board of directors on 16 July 1996 and were signed on its behalf by


W M F Herriot
Director

The notes on pages 6 to 9 form part of these financial statements.

Rhinefield Time Share Management Limited

Notes

(forming part of the financial statements)

1 Accounting policies

a) *Basis of accounting*

These financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards, and on a going concern basis in view of a letter of support from Virgin Hotels Group Limited, the Company's ultimate holding company which undertakes to provide or procure such support as is necessary to maintain the company as a going concern for the foreseeable future.

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

b) *Turnover*

Turnover represents the aggregate amount of service charges receivable, net of value added tax.

c) *Fixed assets*

Depreciation of fixed assets is provided for on a straight line basis applied to original cost at rates estimated to write off each asset over its remaining useful life. For the purpose of calculating depreciation, the effective annual rates for the classes of assets currently held are as follows:

Plant and machinery	-	10% - 25%
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d) *Pension Costs*

The company is a member of a defined contribution pension scheme operated by Virgin Management Limited, a group company. The assets of the scheme are held separately in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

2 Interest receivable

	Year ended 31 October 1994 £	10 months ended 31 October 1995 £
Bank interest	7,413	3,489
	<hr/>	<hr/>

Rhinefield Time Share Management Limited

Notes (continued)

3 Loss on ordinary activities before taxation

The loss on ordinary activities is arrived at after charging:

	Year ended 31 October 1995 £	10 months ended 31 October 1994 £
Auditors' remuneration and expenses	1,900	1,500
Depreciation of tangible fixed assets	128	108
	<u> </u>	<u> </u>

4 Director's emoluments

The director has not received any remuneration from the Company during the year.

5 Employees

The average number of staff employed during the period was:

	Year ended 31 October 1995	10 months ended 31 October 1994
Administration	2	2
	<u> </u>	<u> </u>

The costs incurred in respect of these employees were:

	1995 £	1994 £
Wages and salaries	39,710	30,667
	<u>39,710</u>	<u>30,667</u>

Rhinefield Time Share Management Limited

Notes (continued)

6 Taxation

Taxation on the loss on ordinary activities comprises:

	Year ended 31 October 1995 £	10 months ended 31 October 1994 £
Group relief receivable at 33 %	7,487	2,490
Over/(under) provision in prior years	-	(9,722)
	<u>7,487</u>	<u>(7,232)</u>

7 Fixed assets

	Plant and equipment £
<i>Cost</i>	
At 1 November 1994 and 31 October 1995	1,132
<i>Depreciation</i>	
At 1 November 1994	376
Charge for the year	128
At 31 October 1995	<u>504</u>
<i>Net book value</i>	
At 31 October 1995	<u>628</u>
At 31 October 1994	<u>756</u>

8 Debtors

	31 October 1995 £	31 October 1994 £
Amounts falling due within one year:		
Amounts due from group undertakings	34,037	25,460
Trade debtors	23,262	8,510
Group relief receivable	14,586	7,354
Prepayments and accrued income	1,917	-
	<u>73,802</u>	<u>41,324</u>

Rhinefield Time Share Management Limited

Notes (continued)

9	Creditors: (amounts falling due within one year)	31 October 1995 £	31 October 1994 £
	Amounts owed to group undertakings	588,046	481,296
	Accruals and deferred income	22,923	15,982
		<u>610,969</u>	<u>497,278</u>

10	Provision for liabilities and charges		£
	<i>Provision for repairs and maintenance:</i>		
	At 1 November 1994		52,079
	Charge for the year		(7,792)
	Write-back of previous expenditure		10,000
	At 31 October 1995		<u>54,287</u>

11	Share capital	31 October 1995 £	31 October 1994 £
	<i>Authorised:</i>		
	1,000 ordinary shares of £1 each	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
	<i>Issued, called up and fully paid:</i>		
	2 ordinary shares of £1 each	2	2
		<u>2</u>	<u>2</u>

11 Holding company

The Company is a wholly owned subsidiary undertaking of Virgin Hotels Group Limited, a company registered in England and Wales, in whose financial statements the results of the Company are consolidated.

These consolidated accounts are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3HZ.