

NIPPYSENSE LIMITED

Registered in England number 2125780

Report of the Directors

The directors herewith present their report together with the unaudited financial statement for the year ended 31st December 2003.

Activities

The principal activity of the company is that of holding legal title to property situated at Alto Club at Quinto Do Alto Do Poco, The Algarve, Portugal. The property is held by the company for the benefit of the holders of timeshare membership certificates who are members of Alto Club Associates, a club formed with the object of securing occupation rights of the property for its members. The legal title to the property was transferred to the company in accordance with the Constitution of the Club and as laid out in a Trust Deed, dated 9 October 1987, between The Trustee and the founder members of Alto Club Associates. On 15th November 1991, First National Trustee Company was appointed as successor Trustee of Alto Club Associates.

No income has accrued to the company during the year. All expenditure in relation to the management and maintenance of the company and its assets is borne, as provided by the scheme documents of Alto Club Associates, by third parties on behalf of the members of Alto Club Associates.

Directors

The director of the company throughout the year was:-

Anthony Desmond Seeldrayers.

Secretary

The secretary of the company throughout the year was: -

FNTC (Secretaries) Limited

Directors' Responsibilities

The directors are required by UK company law to prepare financial statements for each financial year 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 the profit or loss for that year. In preparing the 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to
- presume that the company will continue in business.

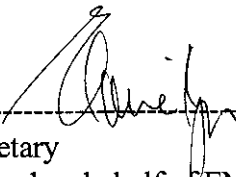
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements of the company comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Auditors

The company is exempt from audit under the provisions of the Companies Act 1985 (Audit Exemption) Regulations 1994

By order of the Board the 10th May 2004.



Secretary
For and on behalf of FNTC (Secretaries) Limited.

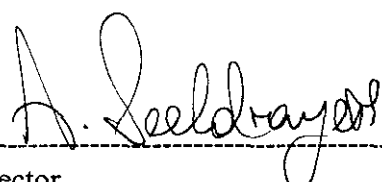
NIPPYSENSE LIMITED**Balance Sheet as at 31st December 2003**

	Note	2003 £	2002 £
ASSETS			
Land and Buildings	2	NIL	NIL
		----- £ NIL =====	----- £ NIL =====
CAPITAL AND RESERVES			
Share Capital	4	NIL	NIL
		----- £ NIL =====	----- £ NIL =====

Notes to the financial statement:

- Accounting Policies
The financial statement has been prepared under the historical cost convention with the exception of property which is shown at valuation.
- Nippysense Limited holds legal title to property situated in The Algarve, Portugal. The property was transferred to the company in accordance with the terms of the Constitution and Trust Deed of Alto Club Associates and the company holds no occupational rights or residual equity interest in the property. The property is therefore shown at nil value.
- The company has not traded nor derived income from any activity during the year and any expenses attributable to the company have been met by third parties. No Profit and Loss Account has therefore been prepared. There are no recognized gains or losses.
- The authorized share capital is £100 divided into 100 ordinary shares of £1 each, all of which have been issued nil paid. The issued shares in the company are ultimately held by First National Trustee Company Limited for the benefit of the members from time to time of Alto Club Associates.
- There has been no movement in shareholders' funds during the year.
- Statements by the directors required under the Companies Act 1985 (Audit Exemption) Regulations 1994**
The company was entitled to the exemption conferred by subsection (1) of section 249A for the year ended 31st December 2003.
No notice has been deposited under subsection (2) of section 249B in relation to the accounts for the year ended 31st December 2003.
The directors acknowledge their responsibilities for
(i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
(ii) 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 Act relating to accounts, so far as applicable to the company.
- The accounts are prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies

Approved on behalf of the Board on the 10th May 2004.



Director