

**MIDMARK 3 LIMITED**  
(Company limited by guarantee)

Registered in England number 2274664

**Report of the Directors**

The directors herewith present their report together with the financial statement for the year ended 31st March 1998.

**Activities**

The principal activity of the company is that of holding shares in Touristic Club International A.G., a Lichtenstein limited company which owns the occupation rights to the Hotel Viking, Praia Senhora da Rocha, 8365 Armacao de Pera, Algarve, Portugal. The shares are held by the company for the benefit of members of the Hotel Viking Owners Club, a club formed with the object of securing occupation rights of the Hotel Viking for its members. The shares were transferred to the company in accordance with a Trust Deed, dated 13th May 1988. The Trustee at the date of the accounts was First American Trustee Company (UK) Limited which changed its name on 25th July 1997 to First National Trustco (UK) Limited.

No income has accrued to the company during the period. All expenditure in relation to the management and maintenance of the company is borne by the members of the Hotel Viking Owners Club.

**Directors**

The directors of the company throughout the period were:-

David Mark Thorpe (resigned 15th July 1997)  
Thomas Hartley Grifferty (resigned 15th July 1997)  
Paul Gardner-Bougaard (appointed 15th July 1997)  
Alistair Charles Peter McLean (appointed 15th July 1997)  
Philip Michael Broomhead (appointed 15th July 1997)

**Secretary**

The secretaries of the company throughout the period were:-

Philip John Oldcorn (resigned 15th July 1997)  
Declan Thomas Kenny (appointed 15th July 1997)

**Auditors**

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

By order of the Board, 1st September 1998

  
Secretary



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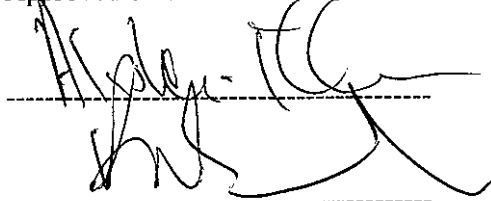
**Balance Sheet as at 31st March 1998**

	Notes	1998	1997
<b>ASSETS</b>			
Investments	2	Nil ==	Nil ==
<b>CAPITAL AND RESERVES</b>	3 & 4	Nil ==	Nil ==

**Notes to the financial statements:**

- Accounting Policies  
The financial statements have been prepared under the historical cost convention with the exception of property which is shown at valuation.
- Midmark 3 Limited holds shares in Touristic Club International A.G., a Lichtenstein limited company which owns the occupation rights to Hotel Viking, Praia Senhora da Rocha, 8365 Armacao de Pera, Algarve, Portugal. The shares were transferred to the company in accordance with a Trust Deed, the effect of which is to transfer to the members of Hotel Viking Owners Club the occupation rights in the Hotel Viking. The shares are therefore shown at nil value.
- The company has not 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 liability of the company is limited by guarantee and each of the members undertakes to contribute up to £1 in the event of any deficit arising on the winding up of the company. There was one member as 31st March 1998. The member of the company is provided by the Trustee on behalf of the members from time to time of Hotel Viking Owners Club.
- There has been no movement in members' 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 March 1998.  
No notice has been deposited under subsection (2) of section 249B in relation to the accounts for the year ended 31st March 1998.  
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 period and of its profit or loss for the financial period 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.

Approved on behalf of the Board on 1st September 1998



Directors