Grant Thornton

Club Sunterra Limited

Financial statements

For the year ended 31 December 2005

Company No. 2930567

Company information

Company registration number :	2930567
Registered office :	Citrus House Caton Road Lancaster Lancashire LA1 3UA
Directors :	D R Harris A J Pearce J M Davey
Secretary :	R J McGee
Bankers :	National Westminster Bank Plc 44 Market Street Carnforth Lancashire LA5 9WY
Solicitors :	Baker & McKenzie 100 New Bridge Street London EC4V 6JA
Auditors :	Grant Thornton UK LLP Registered Auditors Chartered Accountants Heron House Albert Square Manchester M60 8GT

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Report of the directors

The directors present their report together with the audited financial statements for the year ended 31 December 2005.

Principal activity

The company performs the role of an owners club for the purchasers of points rights from Sunterra Europe Limited, the founder member of the company and its distributors. Sunterra Europe Limited is a subsidiary of Sunterra Europe (Group Holdings) Plc, whose ultimate parent undertaking is Sunterra Corporation.

Owners of points rights are able to use those points rights in exchange for accommodation at holiday properties. The legal interests in holiday properties developed or acquired by the Sunterra Group are placed in trust by the group and held by an independent trustee, First National Trustee Company Limited.

The company has delegated its responsibilities for the management and administration of its operations to a management company, Sunterra Management Limited. The members pay annual management fees to this company and all income and expenditure arising from management and administration are reflected in that company's accounts.

These arrangements result in the company not trading and therefore neither a profit and loss account nor a statement of recognised gains and losses are presented.

Directors

The directors who held office during the year are shown below. All directors served throughout the year unless otherwise indicated.

G I Bruce (resigned 30 January 2006)
D R Harris
A J Pearce
J M Davey

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 these 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.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

R J McGee
Secretary

21 April 2006

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Report of the independent auditors to the members of Club Sunterra Limited

We have audited the financial statements of Club Sunterra Limited for the year ended 31 December 2005 which comprise the balance sheet and notes 1 to 3. These financial statements have been prepared in accordance with 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

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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

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 to you 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 other transactions is not disclosed.

We read the directors' report and consider whether it is consistent with the audited financial statements. We 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 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.

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.

Grant Thornton

Report of the independent auditors to the members of Club Sunterra Limited

Opinion

In our 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 as at 31 December 2005; and
- have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
MANCHESTER

21 April 2006

Balance sheet

	Note	2005 £	2004 £
Net assets		–	–
Capital and reserves	2	–	–

The financial statements were approved by the Board of Directors on 21 April 2006.

D R Harris Director

The accompanying notes form part of these financial statements.

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2 Status of the company

The company is limited by guarantee and has no share capital. Membership liability is limited to £1 per member.

3 Staff members and costs

The only persons employed by the company were the directors, none of whom received any remuneration from the company during the year.