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**GRAND VACATION CLUB
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2002

Company Number : 2930567



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GRAND VACATION CLUB LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

Company Registration Number : 2930567

Registered Office : Citrus House
Caton Road
Lancaster
Lancashire
LA1 3UA

Directors : G I Bruce
D M Cox
A J Pearce
P A Woodgate

Secretary : R J McGee

Bankers : National Westminster Bank Plc
44 Market Street
Carnforth
Lancashire
LA5 9WY

Solicitors : Mayer Brown Rowe & Maw
11 Pilgrim Street
London
EC4V 6RW

Auditors : Grant Thornton
Registered Auditors
Chartered Accountants
Heron House
Albert Square
Manchester
M60 8GT

GRAND VACATION CLUB LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

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GRAND VACATION CLUB LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 December 2002.

Principal activity

The company performs the role of an owners club for the purchasers of points rights from Grand Vacation Company Limited, the founder member of the company and its distributors. Grand Vacation Company 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 in trust for the company 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, Grand Vacations Management Limited. The members pay annual management fees direct 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 or loss account nor a statement or 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.

N J Benson (resigned 12 June 2002)
G I Bruce
D M Cox
A J Pearce
P A Woodgate (appointed 12 June 2002)

The interests of the directors in the share capital of the immediate parent undertaking, Sunterra Europe (Group Holdings) Plc, are disclosed in the financial statements of that company.

Directors' responsibilities for the financial statements

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. 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.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for ensuring that the directors' report is prepared in accordance with company law in the United Kingdom.

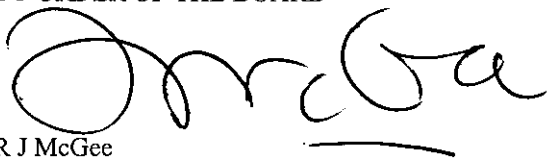
GRAND VACATION CLUB LIMITED

REPORT OF THE DIRECTORS

Auditors

Deloitte & Touche resigned as auditors during the year and Grant Thornton were appointed to fill the casual vacancy. Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'R J McGee', with a horizontal line underneath the name.

R J McGee
Secretary

16th April 2003

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GRAND VACATION CLUB LIMITED

We have audited the financial statements of Grand Vacation Club Limited for the year ended 31 December 2002 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 the directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom accounting standards 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 United Kingdom auditing standards.

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 transactions with the company is not disclosed.

We read other information contained in 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. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 December 2002 and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
MANCHESTER**

16/4/2003

GRAND VACATION CLUB LIMITED

BALANCE SHEET AT 31 DECEMBER 2002

	Note	2002 £	2001 £
Net assets		<u>-</u>	<u>-</u>
Capital and reserves	2	<u>-</u>	<u>-</u>

The financial statements were approved by the Board of Directors on 16th April 2003.



PA Woodgate

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

GRAND VACATION CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

1 ACCOUNTING POLICY

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.