

GRAND VACATION CLUB LIMITED

Report and Financial Statements

31 December 2001



**Deloitte & Touche
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DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISERS

Directors' report	1
Statement of directors' responsibilities	2
Independent Auditors' report	3
Balance sheet	4
Notes to the accounts	5

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company together with the accounts and auditor's report for the year ended 31 December 2001.

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 Inc.

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 Trust Company Limited.

The company has delegated its responsibilities for the management and administration of its operations to a management company, Grand Vacations Management Limited (formerly Woodford Bridge Country Club Ltd). The members pay annual management fees direct to this management 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. The directors do not recommend the payment of a dividend (2000 £nil).

The financial position of the company is set out in the balance sheet on page 4.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are as shown below:

N J Benson
G I Bruce
D M Cox
A J Pearce

N J Benson and G I Bruce are directors of the immediate parent undertaking, Sunterra Europe (Group Holdings) Plc and their interests in the shares of the holding company are disclosed in the accounts of that company.

AUDITORS

The directors will propose to the Annual General Meeting to re-appoint Deloitte & Touche as auditors for the ensuing year.


Secretary

11th April 2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 accounts, 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;

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 comply with the Companies Act 1985. They are also responsible for the system of internal control for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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

We have audited the financial statements of Grand Vacation Club Ltd for the year ended 31 December 2001 which comprise the balance sheet and the related notes 1 to 3. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

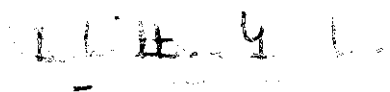
Basis of audit opinion

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 2001 and the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Chartered Accountants and Registered Auditors

GRAND VACATION CLUB LIMITED

BALANCE SHEET 31 December 2001

	2001 £	2000 £
NET ASSETS	-	-
CAPITAL AND RESERVES	-	-

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors



Director

11th April 2002

NOTES TO THE ACCOUNTS
Year ended 31 December 2001

1. ACCOUNTING POLICIES

Basis of preparation

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

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.