

Grand Vacation Club Limited
(Limited by guarantee)

Directors' report and financial statements

31 December 1995

Registered number 2930567



Grand Vacation Club Limited

Directors' report and financial statements

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Grand Vacation Club Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

Principal activity

The company performs the role of an owners club for the purchasers of points rights from LS Promotions Limited, a founder member of the company. Purchasers of such points rights become members of the company. LS Promotions Limited is a subsidiary of LSI Group Holdings Plc.

The members are able to exchange their points holding for accommodation rights at holiday accommodation, the interest in which is held in Trust, on behalf of the company, by First National Trustee Company Limited.

The interest in accommodation, at locations developed by LSI Group Holdings Plc and its subsidiary companies, are transferred to the company by LS Promotions Limited.

The company has delegated its responsibilities for the management and administration of its operations which relate largely to the management of holiday accommodation to a management company, Grand Vacations Management Limited. The members pay annual management fees direct to this management company.

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

Directors and directors' interests

The directors who held office during the year were as follows:

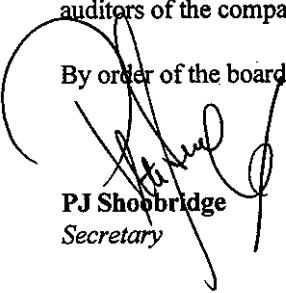
IK Ganney
RI Harrington
LN Riley (appointed 19 October 1995)
PD Openshaw (appointed 19 October 1995)

IK Ganney and RI Harrington are founder member directors as set out in the Articles of Association and are directors of LSI Group Holdings plc and each of its subsidiary undertakings.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board


PJ Shoobridge
Secretary

Pine Lake Resort
Carnforth
LANCASTER
LA6 1JZ

5 June 1996

Grand Vacation Club Limited

Statement of directors' responsibilities

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 for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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PRESTON
PR2 2YF

Report of the auditors to the members of Grand Vacation Club Limited

We have audited the financial statements on pages 4 to 5.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit of those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 at 31 December 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

5 June 1996

Grand Vacation Club Limited

Balance sheet at 31 December 1995

	1995 £	1994 £
Net assets	-	-
Capital and reserves	-	-

The financial statements were approved by the board of directors on *5 June* 1996 and were signed on its behalf by:


IK Ganney
Director

Grand Vacation Club Limited

Notes

(forming part of the financial statements)

1 **Status of company**

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

2 **Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

3 **Staff numbers and costs**

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