

**FLANESFORD MANAGEMENT LIMITED**

**Report and Financial Statements**

**31 December 2000**



**REPORT AND FINANCIAL STATEMENTS 2000**

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**REPORT AND FINANCIAL STATEMENTS 2000**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

N J Benson  
G Bruce

**SECRETARY**

J McGee

**REGISTERED OFFICE**

Citrus House  
Caton Road  
Lancaster  
Lancashire  
LA1 3UA

**SOLICITORS**

Rowe & Maw  
20 Black Friars Lane  
London  
EC4V 6HD

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors present their annual report and financial statements for the year ended 31 December 2000.

### ACTIVITIES

The company has not traded during the period and has no income and bears no expenditure therefore no profit and loss account has been prepared. Any expenses have been borne by the beneficial owners of the issued share capital personally. The company has continued to be dormant from the end of the period mentioned above up to the date of this report and is expected to remain dormant.

### DIRECTORS AND THEIR INTERESTS

The directors who served during the year are shown below:

N J Benson

G Bruce

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

The directors have no other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

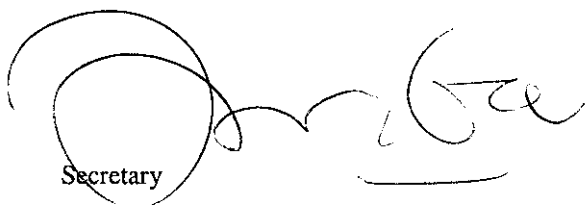
### FUTURE PROSPECTS

The directors do not consider there will be a significant change in trading activities during the forthcoming year.

### ELECTIVE RESOLUTIONS

Elective resolutions to dispense with the laying of accounts and reports before the company in general meetings and the holding of Annual General Meetings, were passed in accordance with Section 379 (A) of the Companies Act 1985, at an Extraordinary General Meeting on 25 August 1997.

Approved by the Board of Directors  
and signed on behalf of the Board



Secretary

22 October 2001

**BALANCE SHEET**  
**31 December 2000**

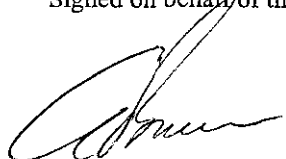
	Note	2000 £	1999 £
<b>CALLED UP SHARE CAPITAL NOT PAID</b>			
Amounts due from subscribers		<u>1</u>	<u>1</u>
<b>NET ASSETS</b>		<u>1</u>	<u>1</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	2	<u>1</u>	<u>1</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		<u>1</u>	<u>1</u>

The balance sheet was approved by the directors on

These annual accounts have not been audited because the company is entitled to the exemption provided by s249AA(1) Companies Act 1985 and its members have not required the company to obtain an audit of these accounts in accordance with s249B(2).

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with s221 Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with s226 Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

Signed on behalf of the Board of Directors



Director

**NOTES TO THE ACCOUNTS****Year ended 31 December 2000****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Basis of preparation**

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

The company's ultimate parent company and certain of that company's US based subsidiaries have filed a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code. The directors of Flanesford Management Limited and its UK based parent company wish to stress that these companies do not form part of this Chapter 11 filing. The directors believe that this will have no material adverse effect on the business of Flanesford Management Limited and consequently the accounts have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The financial statements do not include any adjustments that would result if the plan was not approved.

The company is exempt from the requirement of Financial Reporting Standard No.1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Sunterra Corporation Inc, a company incorporated in the USA, and its cash flows are included within the consolidated cash flow statement of that company.

**2. CALLED UP SHARE CAPITAL**

	2000 £	1999 £
<b>Authorised</b>		
100,000 ordinary shares of £1 each	100,000	100,000
<b>Called up, allotted and fully paid</b>		
1 ordinary shares of £1	1	1

**3. ULTIMATE PARENT COMPANY**

The directors regard Sunterra Corporation (formerly Signature resorts Inc), a company incorporated in the USA as the company's ultimate parent undertaking.

The smallest group in which the results of the company are consolidated is that headed by Sunterra (Group Holdings) Plc. a company incorporated in the United Kingdom whose principal place of business is at Pine Lake Resort, Carnforth, Lancaster, LA6 1JZ. The consolidated accounts of this group will be delivered to, and can be obtained from the Registrar of Companies. Registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ.

As a subsidiary of Sunterra Europe (Group Holdings) Plc, the company has taken advantage of the exemptions in FRS 8 "Related Party Disclosures" not to disclose transactions with other members of the group handled by Sunterra Europe (Group Holdings) Plc.