

LOS CLAVELES (TWO) LIMITED
Registered in Scotland No. 120452

Report of the Directors

The directors herewith present their report together with the unaudited financial statement for the year ended 31st December 2009.

Activities

The principal activity of the company is that of holding legal title to property situated at Club Los Claveles, Asomada de los Ceres, Los Cristianos, Tenerife, Canary Islands. The property is held by the company for the benefit of the holders of timeshare membership certificates who are members of Club Los Claveles, a club formed with the objects of securing occupation rights of the property for its members. The legal title to the property was transferred to the company in accordance with the Constitution of the Club and as laid out in a Trust Deed, dated 5th April, 1990.

No income has accrued to the company during the year. All expenditure in relation to the management and maintenance of the company is borne by third parties on behalf of the members of Club Los Claveles in accordance with the Constitution of the Club and a Management Agreement, dated 5th April, 1990.

Directors

The director of the company throughout the year and to the date of signing these accounts and their interests in the company are as stated below:-

| | Ordinary Shares Held | |
|--------------|----------------------|------------------|
| | 1 January 2009 | 31 December 2009 |
| Brigit Scott | 0 | 0 |

Secretary

The secretary of the company throughout the year was:-

FNTC (Secretaries) Limited

Statement of the Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the company and of the profit or loss of the company for the 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;
- 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 keeping adequate 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 2006. 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.

WEDNESDAY



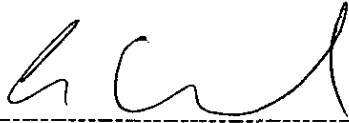
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COMPANIES HOUSE

Auditors

The company is exempt from audit under the provisions of the Companies Act 2006

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

By order of the Board the 4th March 2010

A handwritten signature in black ink, consisting of a stylized 'h' followed by a cursive 'c' and a long horizontal stroke.

Secretary

For and on behalf of FNTC (Secretaries) Limited

LOS CLAVELES (TWO) LIMITED
Balance Sheet as at 31st December 2009

| | Note | 2009 £ | 2008 £ |
|-----------------------------|------|-----------|-----------|
| ASSETS | | | |
| Debtors | | 100 | 100 |
| Land and Buildings | 2 | - | - |
| | | ----- | ----- |
| | | £100 | £100 |
| | | ===== | ===== |
| CAPITAL AND RESERVES | | | |
| Share Capital | 4 | 100 | 100 |
| | | ----- | ----- |
| | | £100 | £100 |
| | | ===== | ===== |

Statements by the directors required under the Companies Act 2006

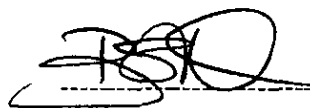
For the year ending 31 December 2009 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

Approved by and issued on behalf of the Board on the 4th March 2010



 Director

Notes to the financial statements:

1. Accounting Policies
 The financial statements have been prepared under the historical cost convention with the exception of property which is shown at valuation.
2. Los Claveles (Two) Limited holds legal title to property situated at Club Los Claveles, Asomada de los Ceres, Los Cristianos, Tenerife, Canary Islands. The property was transferred to the company in accordance with the terms of the Constitution and Trust Deed of Club Los Claveles and the company holds no occupational rights or residual equity interest in the property. The property is therefore shown at nil value.
3. The company has not traded nor derived income from any activity during the year and any expenses attributable to the company have been met by third parties. No Profit and Loss Account has therefore been prepared. There are no recognized gains or losses.
4. The authorized share capital is £100, divided into 100 ordinary shares of £1 each, all of which have been issued and fully paid. The issued shares in the company are held by the Trustee (First National Trustee Company Limited) on behalf of the members from time to time of Club Los Claveles
5. There has been no movement on shareholders' funds during the year.