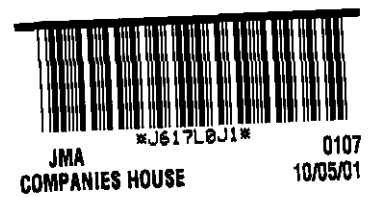


**GRAND VACATION CLUB LIMITED**

**Report and Financial Statements**

**31 December 2000**

**Deloitte & Touche  
Martins Building  
4 Water Street  
Liverpool L2 8UY  
United Kingdom**



**DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2000**

**OFFICERS AND PROFESSIONAL ADVISERS**

<b>Directors' report</b>	<b>1</b>
<b>Statement of directors' responsibilities</b>	<b>2</b>
<b>Auditors' report</b>	<b>3</b>
<b>Balance sheet</b>	<b>4</b>
<b>Notes to the accounts</b>	<b>5</b>

## 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 2000.

### PRINCIPAL ACTIVITY

The company performs the role of an owners club for the purchasers of points rights from Grand Vacation Company Limited (formerly Sunterra Europe Limited) the founder member of the company. 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 to its operations to a management company Grand Vacations Management Limited. 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 or loss account nor a statement of recognised gains and losses are presented. The directors do not recommend the payment of a dividend (1999 £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:

P D Openshaw (resigned 29 June 2000)  
N J Benson  
G I Bruce  
D M Cox  
A J Pearce (appointed 29 June 2000)

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

Deloitte & Touche replaced Arthur Andersen as auditors during the year.

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

  
Secretary

4 April 2001

## 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 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;
- 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 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **REPORT OF THE AUDITORS TO THE MEMBERS OF GRAND VACATION CLUB LIMITED**

We have audited the financial statements on page 4 which have been prepared under the accounting policies set out on page 5.

### **Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 2000 and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and Registered Auditors

4 April 2001

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

	2000	1999
	£	£
<b>NET ASSETS</b>	-	-
<b>CAPITAL AND RESERVES</b>	-	-

These financial statements were approved by the Board of Directors on 4 April 2001

Signed on behalf of the Board of Directors



N J Benson

Director

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**1. 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 notes.

**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.