

Registered number
1992395

RHINEFIELD TIMESHARE MANAGEMENT LIMITED

Report and Accounts

28 November 2002



RHINEFIELD TIMESHARE MANAGEMENT LIMITED
Report and accounts
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RHINEFIELD TIMESHARE MANAGEMENT LIMITED
Company Information

Directors

R C Felton

J Hands

Secretary

Jordans Company Secretaries Limited

Auditors

PKF

New Garden House

78 Hatton Garden

London

EC1N 8JA

Registered office

The Old Library

The Drive

Sevenoaks

Kent

TN13 3AB

Registered number

1992395

RHINEFIELD TIMESHARE MANAGEMENT LIMITED

Directors' Report

The directors present their report and accounts for the period ended 28 November 2002.

Principal activities

The company's principal activity during the period continued to be that of the management of timeshare apartments.

Review of business

The results for the period and financial position of the company are as shown in the annexed financial statements.

Dividends

No dividends will be distributed for the period ended 28 November 2002.

Directors

The directors who served during the period under review were:

R.C. Felton

M.T. Fitzgerald

J. Hands

- resigned

- appointed

06.12.2001

08.01.2002

The directors holding office at 28 November 2002 did not hold any beneficial interest in the issued share capital of the company or any other company within the group at date of appointment or 28 November 2002.

Statement of Directors' responsibilities

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

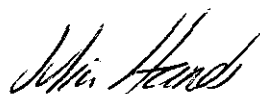
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the directors' report and other information included in the financial statements is prepared in accordance with company law in the United Kingdom.

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 accounts 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.

Auditors

A resolution to reappoint PKF as auditors will be put to the forthcoming Annual General Meeting.



J Hands
Director

RHINEFIELD TIMESHARE MANAGEMENT LIMITED

Independent auditors' report

to the shareholders of RHINEFIELD TIMESHARE MANAGEMENT LIMITED

We have audited the accounts of Rhinefield Timeshare Management Limited for the period ended 28 November 2002 which comprise the Profit and Loss account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 28 November 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PKF

PKF
Registered auditor

London

28 March 2003

RHINEFIELD TIMESHARE MANAGEMENT LIMITED**Profit and Loss Account****for the period from 30 November 2001 to 28 November 2002**

		52 weeks ended 28 November 2002 £	13 months ended 29 November 2001 £
	Notes		
Turnover - continuing operations		232,645	211,990
Cost of sales		(63,413)	(68,867)
Gross profit		<u>169,232</u>	<u>143,123</u>
Administrative expenses		(218,366)	(159,694)
Operating loss - continuing operations		<u>(49,134)</u>	<u>(16,571)</u>
Interest receivable	3	6,542	988
Interest payable	3	-	(75)
Loss on ordinary activities before taxation		<u>(42,592)</u>	<u>(15,658)</u>
Tax on loss on ordinary activities	4	39,654	-
Retained loss for the period	9	<u>(2,938)</u>	<u>(15,658)</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two periods.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the loss for the above two periods.

RHINEFIELD TIMESHARE MANAGEMENT LIMITED**Balance Sheet****as at 28 November 2002**

	Notes	At 28 November 2002 £	At 29 November 2001 £
Current assets			
Debtors	5	8,059	297,484
Cash at bank and in hand		<u>259,552</u>	<u>200</u>
		267,611	297,684
Creditors: amounts falling due within one year	6	(84,337)	(71,818)
Net current assets		<u>183,274</u>	<u>225,866</u>
Total assets less current liabilities		<u>183,274</u>	<u>225,866</u>
Provisions for liabilities and charges			
Deferred taxation	4	39,654	-
		<u>222,928</u>	<u>225,866</u>
Capital and reserves			
Called up share capital	7	360,894	360,894
Repairs and maintenance reserve	8	48,019	90,611
Profit and loss account	9	(185,985)	(225,639)
Shareholders' funds	10	<u>222,928</u>	<u>225,866</u>



J Hands

Director

Approved by the board on 24 March 2003

RHINEFIELD TIMESHARE MANAGEMENT LIMITED
Notes to the Accounts
for the period from 30 November 2001 to 28 November 2002

1 Accounting policies

Accounting convention

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

Turnover

Turnover represents net invoiced sales of service charges, excluding value added tax.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company is a wholly owned subsidiary undertaking.

Deferred taxation

Deferred tax is provided on material timing differences between the incidence of income and expenditure for taxation and accounts purposes using a full provision basis. This is a change of accountancy policy required by the implementation of Financial Reporting Standard No. 19 "Deferred tax". The effect of the new policy is to decrease the loss for the year by £39,564 and increase reserves at the year end by £39,564. There is no material impact on the prior period.

Restricted Reserves

The company's policy is to make a transfer from profit and loss account reserve by identifying the charge for ongoing repairs and maintenance expenditure and adding this amount back to the profit before tax to calculate the transfer to restricted reserves. The resulting amount is transferred to a restricted reserve, the repairs and maintenance reserve, by way of a transfer from the profit and loss account reserve. This transfer is shown in notes 10 and 11.

Related party transactions

The company has taken advantage of the exemptions in FRS 8 in connection with the disclosure of transactions with other group undertakings.

2 Staff costs

	2002 £	2001 £
Wages and salaries	<u>63,544</u>	<u>60,876</u>

Wages and salaries costs include £63,544 (2001: £60,876) recharged from Rhinefield House Hotel Limited with respect to leisure, maintenance, reception, porters and management wage costs, incurred by Rhinefield House Hotel on behalf of Rhinefield Timeshare Management Limited.

The directors did not receive any remuneration from the company during the period (2001: £nil).

Average number of employees during the period

	Number	Number
Administration	<u>2</u>	<u>2</u>

RHINEFIELD TIMESHARE MANAGEMENT LIMITED
Notes to the Accounts
for the period from 30 November 2001 to 28 November 2002

3 Interest receivable and payable	2002	2001
	£	£
Interest receivable:		
Interest on amounts due from parent undertaking	<u>6,542</u>	<u>988</u>
Interest payable:		
Bank loans and overdrafts	<u>-</u>	<u>75</u>
4 Taxation	2002	2001
	£	£
Current year charge		
Corporation tax	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>
Deferred taxation	39,654	-
Total tax	<u>39,654</u>	<u>-</u>
Factors affecting tax charge for the period	2002	2001
	£	£
Profit on ordinary activities before tax	<u>(34,444)</u>	<u>(15,658)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax (30%)	(10,333)	(4,697)
<i>Explained by:</i>		
Expenses not deductible for tax purposes	371	-
Capital allowances for period in excess of depreciation	(4)	(5)
Trading losses arising in the period not utilised	9,966	-
Group relief surrendered	-	4,702
Total current tax	<u>-</u>	<u>-</u>
Deferred tax	£	
At 30 November 2001	-	
Credited to profit and loss	39,654	
At 28 November 2002	<u>39,654</u>	
Deferred tax is analysed as follows:		
Trading losses	<u>39,654</u>	
	<u>39,654</u>	

RHINEFIELD TIMESHARE MANAGEMENT LIMITED
Notes to the Accounts
for the period from 30 November 2001 to 28 November 2002

5 Debtors	2002	2001
	£	£
Amounts due from immediate parent undertaking	-	200,606
Other debtors	6,757	95,024
Prepayments and accrued income	1,302	1,854
	<u>8,059</u>	<u>297,484</u>

6 Creditors: amounts falling due within one year	2002	2001
	£	£
Bank loans and overdrafts	-	5,763
Payments in advance	1,461	2,883
Trade creditors	19,632	7,459
Amounts due to immediate parent undertaking	24,297	-
Amounts due to intermediate parent undertaking	12,194	13,015
Amounts due to fellow subsidiary undertaking	-	39,433
Corporation tax	3,503	1,228
Other creditors	11,080	-
Accruals and deferred income	12,170	2,037
	<u>84,337</u>	<u>71,818</u>

7 Share capital	2002	2001	2002	2001
	No	No	£	£
Authorised ordinary shares of £1 each	360,894	360,894	360,894	360,894
Allotted, issued and fully paid:				
Authorised ordinary shares of £1 each	360,894	360,894	<u>360,894</u>	<u>360,894</u>

8 Repairs and maintenance reserve	2002	2001
	£	£
At 30 November 2001	90,611	106,271
Transfer from the profit and loss account	(42,592)	(15,658)
At 28 November 2002	<u>48,019</u>	<u>90,611</u>

As explained in note 1, the repairs and maintenance reserve is a restricted reserve and represents amounts that have been transferred from the profit and loss reserve in respect of future expenditure in connection with the repairs and maintenance of the timeshare apartments.

RHINEFIELD TIMESHARE MANAGEMENT LIMITED
Notes to the Accounts
for the period from 30 November 2001 to 28 November 2002

9 Profit and loss account	2002	2001
	£	£
At 30 November 2001	(225,639)	(225,639)
Retained loss	(2,938)	(15,658)
Transfer to repairs and maintenance reserve	42,592	15,658
At 28 November 2002	<u>(185,985)</u>	<u>(225,639)</u>

10 Reconciliation of movement in shareholders' funds	2002	2001
	£	£
At 30 November 2001	225,866	241,526
Loss for the financial period	(2,938)	(15,658)
At 28 November 2002	<u>222,928</u>	<u>225,866</u>

11 Ultimate Parent Company

The company's ultimate parent undertaking is Benfica Limited, which is registered in the Isle of Man. The company's immediate parent undertaking is Rhinefield House Hotel Limited a company registered in England and Wales. The company's intermediate parent undertaking is Hand Picked Hotels Limited, which is registered in England and Wales. Hand Picked Hotels Limited is the largest and smallest group in whose financial statements the results of the company will be consolidated. The consolidated accounts of Hand Picked Hotels Limited will be available to the public and will be obtainable in due course from the Registrar of Companies, Companies House, Crown Way, Cardiff.

The controlling party is Mr G Hands.

RHINEFIELD TIMESHARE MANAGEMENT LIMITED**Profit and Loss Account****for the period from 30 November 2001 to 28 November 2002***for the information of the directors only*

	2002	2001
	£	£
Sales	232,645	211,990
Cost of sales	(63,413)	(68,867)
Gross profit	<u>169,232</u>	<u>143,123</u>
Administrative expenses	(218,366)	(159,694)
Operating loss	<u>(49,134)</u>	<u>(16,571)</u>
Interest receivable	6,542	988
Interest payable	-	(75)
Loss before tax	<u>(42,592)</u>	<u>(15,658)</u>

RHINEFIELD TIMESHARE MANAGEMENT LIMITED**Schedule to the Profit and Loss Account****for the period from 30 November 2001 to 28 November 2002***for the information of the directors only*

	2002 £	2001 £
Sales		
Sales	<u>232,645</u>	<u>211,990</u>
Cost of sales		
Other direct costs	<u>63,413</u>	<u>68,867</u>
Administrative expenses		
Employee costs:		
Wages and salaries	63,544	60,876
Entertaining	<u>1,236</u>	<u>943</u>
	<u>64,780</u>	<u>61,819</u>
Premises costs:		
Rates	35,657	14,674
Service charges / water rates	2,691	-
Light and heat	6,319	7,473
Cleaning / waste removal	<u>1,368</u>	<u>-</u>
	<u>46,035</u>	<u>22,147</u>
General administrative expenses:		
Telephone and fax	4,033	2,817
Postage	2,080	1,763
Bank charges	314	319
Insurance	8,994	6,147
Repairs and maintenance	43,630	35,417
Bad debts & provision	<u>10,764</u>	<u>-</u>
	<u>69,815</u>	<u>46,463</u>
Legal and professional costs:		
Audit fees	800	1,000
Management fees	32,419	25,740
Other legal and professional	<u>4,517</u>	<u>2,525</u>
	<u>37,736</u>	<u>29,265</u>
	<u>218,366</u>	<u>159,694</u>