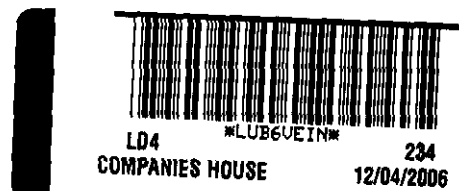


Registered number
1992395

RHINEFIELD TIMESHARE MANAGEMENT LIMITED

Report and Accounts

24 November 2005



RHINEFIELD TIMESHARE MANAGEMENT LIMITED

Report and accounts

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RHINEFIELD TIMESHARE MANAGEMENT LIMITED
Company Information

Directors

R C Felton
J Hands
P Fullerton

Secretary

Jordans Company Secretaries Limited

Auditors

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London, UK
EC1M 3AP

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 24 November 2005.

Principal activities

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

Review of business and future developments

The results for the period and financial position of the company are as shown in the annexed financial statements. The directors are optimistic as to the future success of the company.

Dividends

No dividends will be distributed for the period ended 24 November 2005.

Directors

The directors who served during the period under review were:

R.C. Felton
J. Hands
P. Fullerton

The directors holding office at 24 November 2005 did not hold any beneficial interest in the issued share capital of the company or any other company within the group at 25 November 2004 or 24 November 2005, except J Hands, who holds two shares.

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:

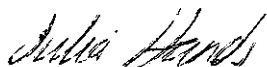
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

On 23 May 2005, PKF transferred their business to PKF (UK) LLP, a limited liability partnership. Under section 26 (5) of the Companies Act 1989, the company consented to extend the audit appointment to PKF (UK) LLP from 23 May 2005. Accordingly, the audit report has been signed in the name of PKF (UK) LLP and a resolution for the reappointment of PKF (UK) LLP will be proposed at the forthcoming Annual General Meeting.



J Hands
Director

RHINEFIELD TIMESHARE MANAGEMENT LIMITED

Independent auditors' report

to the members of RHINEFIELD TIMESHARE MANAGEMENT LIMITED

We have audited the accounts of Rhinefield Timeshare Management Limited for the period ended 24 November 2005 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 24 November 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PKF (UK) LLP

PKF (UK) LLP
Registered auditors

London, UK

5 April 2006

RHINEFIELD TIMESHARE MANAGEMENT LIMITED**Profit and Loss Account****for the period from 26 November 2004 to 24 November 2005**

		52 weeks ended 24 November 2005 £	52 weeks ended 25 November 2004 £
	Notes		
Turnover		255,229	368,134
Cost of sales		(58,508)	(59,174)
Gross profit		196,721	308,960
Administrative expenses		(167,733)	(273,377)
Operating profit	2	28,988	35,583
Interest receivable	4	4,599	9,861
Profit on ordinary activities before taxation		33,587	45,444
Tax on profit on ordinary activities	5	-	-
Retained profit for the period	9	33,587	45,444

Continuing operations

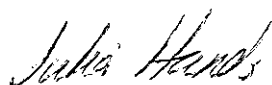
None of the company's activities were acquired or discontinued during the above two periods.

Statement of total recognised gains and losses

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

RHINEFIELD TIMESHARE MANAGEMENT LIMITED**Balance Sheet****as at 24 November 2005**

	Notes	24 November 2005 £	25 November 2004 £
Current assets			
Debtors	6	184,465	204,288
Cash at bank and in hand		<u>157,081</u>	<u>152,281</u>
		341,546	356,569
Creditors: amounts falling due within one year	7	(89,152)	(137,762)
Net current assets		<u>252,394</u>	<u>218,807</u>
		<u>252,394</u>	<u>218,807</u>
Capital and reserves			
Called up share capital	8	360,894	360,894
Profit and loss account	9	(108,500)	(142,087)
Shareholders' funds	10	<u>252,394</u>	<u>218,807</u>



J Hands

Director

Approved by the board on 28 March 2006

RHINEFIELD TIMESHARE MANAGEMENT LIMITED
Notes to the Accounts
for the period from 26 November 2004 to 24 November 2005

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 the full provision basis set out in Financial Reporting Standard 19.

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 Operating profit	2005	2004
	£	£
This is stated after charging:		
Auditors' remuneration	<u>1,000</u>	<u>1,000</u>

3 Staff costs	2005	2004
	£	£
Wages and salaries	<u>72,506</u>	<u>70,959</u>

Wages and salaries costs include £70,959 (2004: £70,959) recharged from Rhinefield House Hotel Limited with respect to 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 (2004: £nil).

Average number of employees during the period	Number	Number
Administration	<u>3</u>	<u>3</u>

RHINEFIELD TIMESHARE MANAGEMENT LIMITED
Notes to the Accounts
for the period from 26 November 2004 to 24 November 2005

4 Interest receivable	2005	2004
	£	£
Interest receivable:		
Bank interest	<u>4,599</u>	<u>9,861</u>
5 Taxation	2005	2004
	£	£
Current year charge		
Corporation tax	-	-
Adjustments in respect of prior years	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred taxation	-	-
Total tax	<u>-</u>	<u>-</u>
	2005	2004
	£	£
Factors affecting tax charge for the period		
Profit on ordinary activities before tax	<u>33,587</u>	<u>45,444</u>
Profit on ordinary activities multiplied by standard rate of corporation tax (30%)	10,076	13,633
<i>Explained by:</i>		
Expenses not deductible for tax purposes	-	508
Capital allowances in excess of depreciation	(2)	(2)
Losses brought forward utilised in the period	(8,694)	(12,210)
Group relief claimed	<u>(1,380)</u>	<u>(1,929)</u>
Total current tax	<u>-</u>	<u>-</u>

There are trading losses carried forward of £48,000 (2004 £77,000) available for offset against future trading profits. At the period end there is a deferred tax asset in respect of losses arising of £14,000 (2004 - £23,000). The deferred tax asset has not been recognised as the recoverability of the asset is uncertain.

RHINEFIELD TIMESHARE MANAGEMENT LIMITED
Notes to the Accounts
for the period from 26 November 2004 to 24 November 2005

6 Debtors			2005	2004
			£	£
Amounts due from fellow subsidiary undertaking			-	27,218
Other debtors			182,145	174,515
Prepayments and accrued income			2,320	2,555
			<u>184,465</u>	<u>204,288</u>
7 Creditors: amounts falling due within one year			2005	2004
			£	£
Payments in advance			8,559	8,625
Trade creditors			8,300	63,830
Amounts due to immediate parent undertaking			9,675	8,673
Amounts due to intermediate parent undertaking			-	120
Amounts due to Rhinefield Owners Club			41,759	42,015
Other creditors			12,553	9,067
Accruals and deferred income			8,306	5,432
			<u>89,152</u>	<u>137,762</u>
8 Share capital	2005	2004	2005	2004
	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>
9 Profit and loss account			2005	2004
			£	£
At 26 November 2004			(142,087)	(187,531)
Retained profit			33,587	45,444
At 24 November 2005			<u>(108,500)</u>	<u>(142,087)</u>

RHINEFIELD TIMESHARE MANAGEMENT LIMITED
Notes to the Accounts
for the period from 26 November 2004 to 24 November 2005

10 Reconciliation of movement in shareholders' funds	2005	2004
	£	£
At 26 November 2004	218,807	173,363
Profit for the financial period	33,587	45,444
	<hr/>	<hr/>
At 24 November 2005	<u>252,394</u>	<u>218,807</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.