



**PINE LAKE MANAGEMENT
SERVICES LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2002

Company Number : 2103901

PINE LAKE MANAGEMENT SERVICES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

| | |
|-------------------------------|---|
| Company Registration Number : | 2103901 |
| Registered Office : | Citrus House Caton Road Lancaster Lancashire LA1 3UA |
| Directors : | G I Bruce P A Woodgate |
| Secretary : | R J McGee |
| Bankers : | National Westminster Bank Plc 44 Market Street Carnforth Lancashire LA5 9WY |
| Solicitors : | Mayer Brown Rowe & Maw 11 Pilgrim Street London EC4V 6RW |

PINE LAKE MANAGEMENT SERVICES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

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PINE LAKE MANAGEMENT SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31 December 2002.

Principal activity

The company did not trade during the year. There has been no income and expenditure and no change has arisen in the position of the company. Any expenses have been met by the parent company.

Directors

The directors who held office during the year are shown below. All directors served throughout the year unless otherwise indicated.

N J Benson (resigned 22 March 2003)
G I Bruce
P A Woodgate (appointed 28 October 2002)

None of the directors had any interest in the share capital of the company. The interests of the directors in the share capital of the immediate parent undertaking, Sunterra Europe (Group Holdings) Plc, are disclosed in the financial statements of that company.

Directors' responsibilities for the financial statements

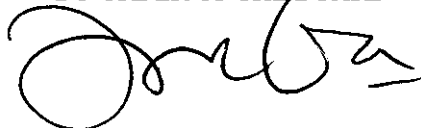
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to :

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for ensuring that the directors' report is prepared in accordance with company law in the United Kingdom.

BY ORDER OF THE BOARD



R J McGee
Secretary


May 2003

PINE LAKE MANAGEMENT SERVICES LIMITED

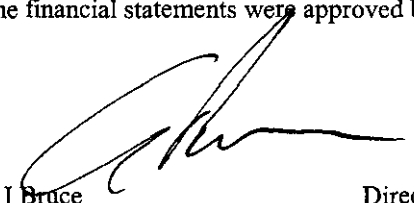
BALANCE SHEET AT 31 DECEMBER 2002

| | Note | 2002 £ | 2001 £ |
|--|------|-----------------|-----------------|
| Creditors : amounts falling due within one year | 2 | (13,883) | (13,883) |
| Net assets | | <u>(13,883)</u> | <u>(13,883)</u> |
| Capital and reserves | | | |
| Called up share capital | 3 | 2 | 2 |
| Profit and loss account | | <u>(13,885)</u> | <u>(13,885)</u> |
| Equity shareholders' deficit | | <u>(13,883)</u> | <u>(13,883)</u> |

For the year ended 31 December 2002 the company was entitled to exemption from audit under Section 249AA(1) of the Companies Act 1985. Members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with Section 221, and 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 the requirements of Section 226, and which otherwise comply with the Companies Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board of Directors on 8th September 2003.


G I Bruce

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

PINE LAKE MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

1 ACCOUNTING POLICY

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis, notwithstanding the deficiency in net assets, because of an undertaking by the immediate parent company to provide sufficient financial support for the foreseeable future.

2 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2002 | 2001 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Amounts owed to group undertakings | <u>13,883</u> | <u>13,883</u> |

3 SHARE CAPITAL

| | 2002 | 2001 |
|---|-------------|-------------|
| | £ | £ |
| Authorised | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted, called up and fully paid | | |
| 2 Ordinary shares of £1 each | <u>2</u> | <u>2</u> |

4 ULTIMATE PARENT UNDERTAKING

The directors regard Sunterra Corporation, 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 Europe (Group Holdings) Plc, whose principal place of business is at Citrus House, Caton Road, Lancaster, Lancashire, LA1 3UA. The consolidated accounts of the group will be delivered to, and can be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

5 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption included in FRS 8 and has not disclosed transactions with other members of the group headed by Sunterra Corporation.