

Club Sunterra Limited

Report and Financial Statements

Year Ended

31 December 2006



BDO Stoy Hayward
Chartered Accountants

Club Sunterra Limited

Annual report and financial statements for the year ended 31 December 2006

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Directors

C A Bentley
S Gomeri Bajtek
S J Hulme
A J Pearce
J M Davey

Secretary and registered office

S Crook
Citrus House
Caton Road
Lancaster
Lancashire
LA1 3UA

Company number

2930567

Auditors

BDO Stoy Hayward LLP
Commercial Buildings
11-15 Cross Street
Manchester
M2 1WE

Club Sunterra Limited

Report of the director for the year ended 31 December 2006

The directors present their report together with the audited financial statements for the year ended 31 December 2006

Principal activity and business review

The company performs the role of an owners club for the purchasers of points rights from Sunterra Europe Limited, the founder member of the company and its distributors. Sunterra Europe Limited is a subsidiary of Sunterra Europe (Group Holdings) Plc, whose ultimate parent undertaking is Sunterra Corporation.

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 by an independent trustee, First National Trustee Company Limited, thereby protecting the interests of the owners of the points rights.

Under the terms of a management agreement, the company has assigned its responsibilities for the management and administration of its operations to a management company, Sunterra Management Limited. The members pay annual management fees to this 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 and loss account nor a statement of recognised gains and losses are presented. Furthermore, the company has no rights to any assets and all its obligations have been assigned to Sunterra Management Limited under the management agreement.

Extended Business Review

The company has taken all the exemptions available in section 246 of the Companies Act 1985 in respect of the directors' report relating to small companies.

Directors

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

C A Bentley	(appointed 10 October 2006)
S Gomeri Bajtek	(appointed 10 October 2006)
S J Hulme	(appointed 17 November 2006)
A J Pearce	
J M Davey	
S Lee	(appointed 10 October 2006, resigned 17 January 2007)
G I Bruce	(resigned 30 January 2006)
D R Harris	(resigned 6 September 2006)

Club Sunterra Limited

Report of the directors for the year ended 31 December 2006 (*Continued*)

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 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,
- state whether applicable accounting standards have been followed,
- 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

Financial instruments

The company does not use financial instruments.

Post Balance Sheet Events

There are no post balance sheet events.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Grant Thornton UK LLP resigned as auditors on 14 December 2006 and BDO Stoy Hayward LLP were subsequently appointed as auditors.

By order of the Board



S Crook
Secretary

11th April 2007

Club Sunterra Limited

Report of the independent auditors

To the shareholders of Club Sunterra Limited

We have audited the financial statements of Club Sunterra Limited for the year ended 31 December 2006 which comprise the balance sheet and notes 1 to 5. These financial statements have been prepared in accordance with the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely upon this report unless such a person is a person entitled to rely upon this report by virtue of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Club Sunterra Limited

Report of the independent auditors (*continued*)

Opinion

In our opinion,

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the company as at 31 December 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

BDO Stoy Hayward LLP

BDO Stoy Hayward LLP
Chartered Accountants
Registered Auditors
Manchester

11 April 2007

Club Sunterra Limited

Profit and loss account for the year ended 31 December 2006

During the financial year and the preceding financial year, the company did not trade and received no income and incurred no expenditure. Consequently, in those years the company made neither a profit nor a loss.

Club Sunterra Limited

Balance sheet for the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Net assets		-	-
Capital and reserves	2	-	-

The financial statements were approved by the Board and authorised for issue on 11th April 2007


C A Bentley
Director

The accompanying notes form part of these financial statements

Club Sunterra Limited

Notes forming part of the financial statements for the year ended 31 December 2006

1 Accounting policies

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

The company has not traded in the year

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.

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 (Holdings) Limited, whose principal place of business is at Citrus House, Caton Road, Lancaster, Lancashire, LA1 3UA. The consolidated accounts of the group 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.