

SES FONTANELLAS (BRANTRIDGE) LIMITED

Report and Accounts

31 December 2002

 ERNST & YOUNG



Ses Fontanellas (Brantridge) Limited

Registered No. 03468250

DIRECTORS

G M W Roe
J Bohlmann
R J Tutty
C Roe

SECRETARY

E J Blum

AUDITORS

Ernst & Young LLP
Wessex House
19 Threefield Lane
Southampton
SO14 3QB

BANKERS

Barclays Bank Plc
Knightsbridge Corporate Banking
PO Box 32015
London
NW1 2ZQ

REGISTERED OFFICE

Brantridge Park
Brantridge Lane
Balcombe
Haywards Heath
West Sussex
RH17 6JT

Ses Fontanellas (Brantridge) Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2002.

RESULTS AND DIVIDENDS

The group profit for the year of £33,353 (2001: Loss of £103,500) as reported in the profit and loss account, has been transferred to consolidated reserves. The directors do not recommend the payment of a dividend (2001: £nil).

PRINCIPAL ACTIVITIES

The Group commenced trading in December 1997 when the parent was constituted. It owns a freehold property at Brantridge Park, in the UK. The group holds company stock of timeshare weeks in Brantridge Park available for resale through its subsidiary Select Vacations Limited, which provides marketing services in the UK.

DIRECTORS AND THEIR INTERESTS

The directors at 31 December 2002 were as follows:

G.M.W. Roe

J. Bohlmann

R.J. Tutty

C Roe (Appointed 22 November 2002)

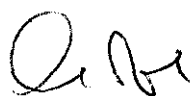
Interests of directors who are directors of the Dutch parent company Intercorp B.V. and the ultimate parent Beleggingsmaatschappij Jelebo B.V. are shown in their respective financial statements.

No director held any interest in the share capital of the company during the year.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board



Director

Date: 18/12/2003

Ses Fontanellas (Brantridge) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 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;
- 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 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SES FONTANELLAS (BRANTRIDGE) LIMITED

We have audited the group's financial statements for the year ended 31 December 2002 which comprise the Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group Balance Sheet, Company Balance Sheet and the related notes 1 to 17. These financial statements have been prepared on the basis of 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 auditors' 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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 group 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.


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 group'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 affairs of the company and of the group as at 31 December 2002 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Southampton

22 December 2003

Ses Fontanellas (Brantridge) Limited

GROUP PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2002

	Notes	2002 £	2001 £
TURNOVER	4	159,525	904,688
Cost of sales		(116,152)	(578,146)
GROSS PROFIT		43,373	326,542
Administrative expenses		(98,382)	(354,658)
Other operating income		105,694	7,311
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST	5	50,685	(20,805)
Interest payable and similar charges	6	(15,979)	(81,781)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		34,706	(102,586)
Corporation tax	7	(1,353)	(914)
PROFIT/(LOSS) FOR THE YEAR	16	33,353	(103,500)

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 December 2002

The Group has no recognised gains and losses other than the profit above and therefore no separate statement of recognised gains and losses has been presented.

Ses Fontanellas (Brantridge) Limited

GROUP BALANCE SHEET at 31 December 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	9	185,545	192,483
Investments in associates	10	40	40
		<u>185,585</u>	<u>192,523</u>
CURRENT ASSETS			
Stock	11	104,572	58,119
Debtors	12	1,537,832	1,390,725
Cash		-	368
		<u>1,642,404</u>	<u>1,449,212</u>
CREDITORS: amounts falling due within one year	13	<u>(1,859,822)</u>	<u>(1,711,883)</u>
NET CURRENT LIABILITIES		<u>(217,418)</u>	<u>(262,671)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(31,833)</u>	<u>(70,148)</u>
CREDITORS: amounts falling due in more than one year	14	<u>(145,058)</u>	<u>(140,096)</u>
NET LIABILITIES		<u>(176,891)</u>	<u>(210,244)</u>
CAPITAL AND RESERVES			
Called up share capital	15	2	2
Profit and loss account	16	(176,893)	(210,246)
SHAREHOLDERS' FUNDS		<u>(176,891)</u>	<u>(210,244)</u>

ERNST & YOUNG


G M W Roe
Director

Date: 15/12/2003

Ses Fontanellas (Brantridge) Limited

COMPANY BALANCE SHEET at 31 December 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	9	180,801	180,801
Investments	10	42	42
		<u>180,843</u>	<u>180,843</u>
CURRENT ASSETS			
Stock	11	104,572	58,119
Debtors	12	373,768	283,522
Cash		-	368
		<u>478,340</u>	<u>342,009</u>
CREDITORS: amounts falling due within one year	13	(514,343)	(481,589)
		<u>(36,003)</u>	<u>(139,580)</u>
NET CURRENT LIABILITIES			
		<u>144,840</u>	<u>41,263</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: amounts falling due in more than one year	14	(145,058)	(140,096)
		<u>(218)</u>	<u>(98,833)</u>
NET LIABILITIES			
		<u><u></u></u>	<u><u></u></u>
CAPITAL AND RESERVES			
Called up share capital	15	2	2
Profit and loss account	16	(220)	(98,835)
		<u>(218)</u>	<u>(98,833)</u>
SHAREHOLDERS' FUNDS		<u><u></u></u>	<u><u></u></u>


G M W Roe
Director

Date: 15/12/2003

Ses Fontanellas (Brantridge) Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

1. FUNDAMENTAL ACCOUNTING CONCEPT

The financial statements have been prepared under the going concern concept because the parent undertaking has agreed to provide adequate funds for the company to meet its liabilities as they fall due.

2. ACCOUNTING POLICIES

Going concern

The Group presents negative equity after recording the loss for the year. However, the Directors are assured of the continuing support of its parent and are confident that the existing shortfall in net equity will be recovered.

Basis of preparation

The financial statements are prepared on the historical cost basis of accounting in accordance with applicable accounting standards in the United Kingdom.

Basis of Consolidation

The group financial statements consolidate the financial statements of Ses Fontanellas (Brantridge) Limited and its subsidiaries Select Vacations Limited and Beech Finance Limited.

Brantridge Management Limited has been excluded from the consolidation because long term restrictions substantially hinder the exercise of the rights of the parent undertaking over the assets. Whereas the group does have political control, it does not have economic control since Brantridge Management Limited is run as a kind of owners association, and its tax status prevents it from paying dividends.

The company has taken advantage of the exemption under Section 230(4) of the Companies Act 1985 not to present its own profit and loss account.

Cash flow statement

The group has utilised the exemptions provided under Financial Reporting Standard No. 1 (Revised) and has not presented a cash flow statement.

Turnover

Turnover is stated net of attributable value added tax. It comprises income from the sale of timeshare weeks.

Investments

Investments in group and associated companies are recorded at cost of acquisition, less provision for diminution in value where appropriate.

Fixed assets

Fixed assets are stated at cost less depreciation, calculated on a straight line basis in order to write off the full value of assets over their expected useful lives at the following rates:

Computer equipment	-	33%
Furniture and fittings	-	33%

Freehold property is not depreciated as the value of the land exceeds the book value of the property.

Inventories

Inventory stocks of timeshare units are recorded at cost, including maintenance costs incurred in respect of timeshare weeks held in inventories. They are charged to cost of sales as the associated timeshare unit is sold. Provision is made to net realisable value where appropriate.

Ses Fontanellas (Brantridge) Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

2. ACCOUNTING POLICIES (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rate that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Related party transactions

The company has utilised exemptions under Financial Reporting Standard No. 8 not to disclose transactions with other group entities.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

3. PARENT UNDERTAKING

The two Ordinary shares of £1 each are held by Intercorp B.V. whose ultimate parent is the Dutch Company Beleggingsmaatschappij Jelebo B.V. (hereafter referred to as Jelebo B.V.).

4. TURNOVER

Group

Turnover, which is stated net of value added tax, is analysed as follows:

	2002	2001
	£	£
Commissions from timeshare sales	146,705	179,271
Administrative fees	-	191,627
Sale of flight tickets	-	452,765
Insurance sales	-	2,003
Other income	12,820	79,022
	<u>159,525</u>	<u>904,688</u>

Turnover is generated in Europe.

Ses Fontanellas (Brantridge) Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

5. OPERATING PROFIT/(LOSS)

Group

This is stated after charging/(crediting):

	2002	2001
	£	£
Management fee	(94,383)	-
Rental income	(10,434)	(7,289)
Auditors' remuneration	7,000	5,674
Foreign exchange differences	35,713	(10,350)
Depreciation	6,938	13,578
Operating lease rentals - P&M	7,863	10,300
- L&B	6,649	-

The management fee was charged to Brantridge Management Limited for services performed during 2002 and 2001 and to SES Fontanellas (Ibiza) for incurring interest charges on behalf of other group companies.

6. INTEREST PAYABLE AND SIMILAR CHARGES

Group

Interest charges comprise the following:

	2002	2001
	£	£
Interest payable to group undertakings	-	66,602
Bank interest and charges	15,979	15,179
	<u>15,979</u>	<u>81,781</u>

7. TAXATION

Group

The charge for Corporation tax comprises the following:

	2002	2001
	£	£
UK Corporation tax – current year	-	914
Tax under provided in previous years	1,353	-
	<u>1,353</u>	<u>914</u>

Ses Fontanellas (Brantridge) Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

7. TAXATION (continued)

Profit/(loss) on ordinary activities before taxation	34,706	(102,586)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax 20% (2001 – 10%)	6,941	(10,259)
Capital allowances in excess of depreciation	(140)	340
Expenses not deductible for tax purposes	213	-
Tax under provided in previous years	1,353	-
Group relief not paid for	-	10,833
Utilisation of tax losses brought forward	(14,247)	-
Tax losses carried forward	7,233	-
	<u>1,353</u>	<u>914</u>

Deferred tax

The deferred taxation asset not recognised in the accounts is as follows:

	2002	2001
	£	£
Capital allowances in advance of depreciation	3,634	3,774
Tax losses available	10,243	13,124
	<u>13,877</u>	<u>16,898</u>

8. EMPLOYEES AND DIRECTORS

Group

	2002	2001
	£	£
Staff costs comprise:		
Salaries and wages	33,901	134,326
Social security costs	3,779	11,559
	<u>37,680</u>	<u>145,885</u>
Average number of employees	<u>4</u>	<u>7</u>

No emoluments from the group were received by directors during the year (2001: £nil).

The directors of the company are also directors or officers of a number of the companies with the Beleggingsmaatschappij Jelebo group. The directors services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the year ended 31 December 2001 and 31 December 2002.

Ses Fontanellas (Brantridge) Limited

NOTES TO THE ACCOUNTS at 31 December 2002

9. TANGIBLE FIXED ASSETS

Group

	<i>Freehold Land and buildings £</i>	<i>Computers and equipment £</i>	<i>Furniture and fittings £</i>	<i>Total £</i>
<i>Cost:</i>				
At 31 December 2001	180,801	39,123	1,614	221,538
Capital expenditure in year	-	-	-	-
At 31 December 2002	180,801	39,123	1,614	221,538
<i>Accumulated depreciation:</i>				
At 31 December 2001	-	27,756	1,299	29,055
Charge for year	-	6,623	315	6,938
At 31 December 2002	-	34,379	1,614	35,993
<i>Net book value:</i>				
At 31 December 2002	180,801	4,744	-	185,545
At 31 December 2001	180,801	11,367	315	192,483

Company

	<i>Freehold land And buildings £</i>
<i>Cost:</i>	
At 31 December 2001	180,801
Capital expenditure	-
At 31 December 2002	180,801
<i>Depreciation:</i>	
At 31 December 2001	-
Charge for year	-
At 31 December 2002	-
<i>Net book value:</i>	
At 31 December 2002	180,801
<i>Net book value:</i>	
At 31 December 2001	180,801

Ses Fontanellas (Brantridge) Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

9. TANGIBLE FIXED ASSETS (Continued)

The freehold property, which is at Brantridge Park in Balcombe, West Sussex, is recorded at cost. This property is subject to a reversionary lease which expires in 2062. It is also subject to a mortgage from Barclays bank (see note 14).

This site is subject to rights of intermittent occupation by timeshare owners.

10. INVESTMENTS

Group

Investments in subsidiary undertakings:

Cost and net book value:

At 31 December 2002 and 31 December 2001

£

40

Details of the principal trading investments in which the group holds more than 20% of the normal value of any class of share capital are as follows:

Name of Company	Proportion of nominal value of issued shares held
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Brantridge Management Ltd	6.7% class A, 100% class B
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Brantridge Management Limited earned a loss for the period of £20,957 (2001: profit of £253,117). Its turnover for the period was £652,255 (2001: £656,442) and net assets were £231,585 (2001: £252,542).

Company

Investments in subsidiary undertakings:

Historical cost:

Balance as at 1 January 2002

Additions in the year

Balance as at 31 December 2002

Provision for impairment:

Balance as at 1 January 2002

Charge in the year

Balance as at 31 December 2002

Net book value:

At 31 December 2002

At 31 December 2001

£

30,042

-

30,042

(30,000)

-

(30,000)

42

42

The provision for the impairment in the value of shares in Select Vacations Limited in the Company balance sheet was made to reflect the difficulty being encountered in recovering the losses of prior years.

Ses Fontanellas (Brantridge) Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

10. INVESTMENTS (Continued)

Details of the principal trading investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows:

Name of Company	Proportion of nominal value of issued shares held
Brantridge Management Ltd	6.7% class A, 100% class B
Beech Finance Ltd	100%
Select Vacations Ltd	100%

Ses Fontanellas (Brantridge) Limited holds 6.7 % of Brantridge Management Limited, including 100% of the B shares. It maintains voting control over Brantridge Management Limited since only B shares have voting rights.

All undertakings are registered and operate in the United Kingdom.

The registered addresses of all the above companies are: Brantridge Park, Balcombe, West Sussex.

Brantridge Management Limited manages the resort of Brantridge Park which belongs to the Company. Beech Finance Limited has only very limited operations, arranging finance for timeshare customers of the InterCorp B.V. group. Select Vacations Limited receives commissions from other group companies, in respect of timeshare weeks sold on behalf of fellow group companies.

11. STOCKS

Group and Company

Inventory stocks comprise timeshare units held for sale, in Brantridge Park (U.K.).

	2002 £	2001 £
Timeshare units at cost	104,572	58,119

12. DEBTORS

Group

	2002 £	2001 £
Amounts owed by group undertakings	1,407,487	1,262,349
Trade debtors	126,939	103,701
Prepayments	1,923	4,284
VAT receivable	1,483	10,719
Corporation tax	-	9,672
	1,537,832	1,390,725

The trade debtors represents the net balances due in respect of amounts advanced for the purchase of timeshare weeks. The loans are interest bearing and of the outstanding balance £97,263 (2001: £92,390) is due after more than one year.

Ses Fontanellas (Brantridge) Limited

NOTES TO THE ACCOUNTS at 31 December 2002

12. DEBTORS

Company

	2002 £	2001 £
Amount owed by group undertakings	373,768	283,522

13. CREDITORS: amounts falling due within one year

Group

	2002 £	2001 £
Bank loans and overdrafts	24,500	6,380
Accruals and deferred income	3,045	22,293
Trade creditors	21,299	55,315
Amounts owed to group undertakings	1,802,320	1,619,272
Taxation and social security	352	4,245
Other creditors	8,306	4,378
	1,859,822	1,711,883

Company

	2002 £	2001 £
Bank loans	12,180	-
Accruals and deferred income	-	19,903
Other creditors	8,306	4,378
Amounts owed to group undertakings	493,857	456,872
Taxation and social security	-	436
	514,343	481,589

14. CREDITORS: amounts falling due in more than one year

Group and Company

	2002 £	2001 £
Bank loans	145,058	140,096
The maturity dates of long term creditors are as follows:		
	2002 £	2001 £
In more than one year but not more than two years	68,898	-
In more than two years but not more than five years	76,160	140,096
In more than five years	-	-
	145,058	140,096

Ses Fontanellas (Brantridge) Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

14. CREDITORS: amounts falling due in more than one year (continued)

The loan facility with Barclays bank is secured by a charge over the property of the Company and by guarantees from several group companies including InterCorp B.V. Interest is payable on this loan at 3.5% over base rate.

15. SHARE CAPITAL

Company

	2002 £	2001 £
Issued subscribed and fully paid: Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>
Authorised share capital	2	2
	<u>2</u>	<u>2</u>

The sole shareholder is the Dutch company InterCorp B.V.

16. PROFIT AND LOSS ACCOUNT

Group

	2002 £	2001 £
Balance at start of year	(210,246)	(106,746)
Retained profit/(loss) for year	33,353	(103,500)
Balance at end of year	<u>(176,893)</u>	<u>(210,246)</u>
<i>Company</i>		
	2002 £	2001 £
Balance at start of year	(98,835)	(86,853)
Retained profit/(loss) for the year	98,615	(11,982)
Balance at end of year	<u>(220)</u>	<u>(98,835)</u>

17. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>		<i>Other</i>	
	2002 £	2001 £	2002 £	2001 £
Operating leases which expire:				
Within one year	10,800	-	4,256	7,404
In two to five years	-	-	4,997	7,995
	<u>10,800</u>	<u>-</u>	<u>9,253</u>	<u>15,399</u>