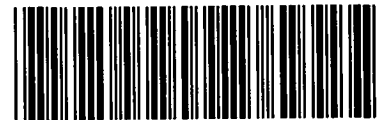


DRIFT ST BARTHS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 15 MONTHS PERIOD ENDED 31 DECEMBER 2013

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COMPANIES HOUSE

DRIFT ST BARTHS LIMITED

COMPANY INFORMATION

DIRECTORS

J J Guiony (appointed 31 July 2013)
O Perouse (appointed 31 July 2013)
C P C Vlieghe (appointed 16 December 2013)

COMPANY SECRETARY

Castlegate Secretaries Limited

REGISTERED NUMBER

04005573

REGISTERED OFFICE

6th Floor
77 Gracechurch Street
London
EC3V 0AS

INDEPENDENT AUDITOR

Adler Shine LLP
Chartered Accountants & Statutory Auditor
Aston House
Cornwall Avenue
London
N3 1LF

DRIFT ST BARTHS LIMITED

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DRIFT ST BARTHS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the period ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activities of the company continued to be that of advising on hotel management and related activities.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to €1,923,987 (2012 : €1,888,170). The directors recommend the payment of a dividend of €2,065,727 (2012 : €2,000,000).

BUSINESS REVIEW

The directors are satisfied with the results for the period as set out on page 6 of the financial statements. During the period, the company's ultimate parent undertaking, Isle de France Group Limited, was acquired by a subsidiary of LVMH Moët Hennessy-Louis Vuitton SA (Paris, France). The profit for the period, after taxation, amounted to €1,923,987 (2012 : €1,888,170).

KEY PERFORMANCE INDICATORS

Given the simple nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

GOING CONCERN

The directors intend to voluntarily liquidate the UK companies within the Isle De France Group Limited within the next 12 months and so the going concern assumption is no longer applicable. The company retains the support of its ultimate parent company LVMH Moët Hennessy-Louis Vuitton SA (Paris, France), which has provided a written commitment, which is legally binding, to make funds available to enable the company to meet its liabilities as they fall due.

DIRECTORS

The directors who served during the period ended 31 December 2013 were:

C F Vere Nicoll (resigned 19 February 2013)
J P Stokes (resigned 19 February 2013)
J E Alfaro (appointed 19 February 2013 & resigned 31 July 2013)
J A Shore (appointed 19 February 2013 & resigned 31 July 2013)
A J Weprin (appointed 19 February 2013 & resigned 31 July 2013)
J J Guiony (appointed 31 July 2013)
O Perouse (appointed 31 July 2013)
C P C Vlieghe (appointed 16 December 2013)

POST YEAR-END CLOSING EVENTS

A capital increase of €7,234,490 has been approved by the board of directors on 26 March 2014.

DRIFT ST BARTHS LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2013**

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:


- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, Adler Shine LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies under s415a of the Companies Act 2006.

This report was approved by the board on 19 June 2014 and signed on its behalf.



.....
O Perouse
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2013**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

DRIFT ST BARTHS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DRIFT ST BARTHS LIMITED

We have audited the financial statements of Drift St Barths Limited for the period ended 31 December 2013, set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 AUDITOR

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements concerning the company's ability to continue as a going concern. During the year Isle De France Group Limited and its subsidiary undertakings were acquired by a subsidiary of LVMH Moët Hennessy-Louis Vuitton SA. The intention is for the UK companies in the Isle De France Group Limited, which includes Drift St Barths Limited, to be liquidated on a voluntary basis within the next 12 months. LVMH Moët Hennessy-Louis Vuitton SA will continue to provide financial support until the liquidation event occurs. The company is no longer considered to be a going concern and the directors have made appropriate adjustments to the financial statements to reflect this.

DRIFT ST BARTHS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DRIFT ST BARTHS LIMITED

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Christopher Taylor (Senior statutory auditor)
for and on behalf of

Adler Shine LLP
Chartered Accountants
Statutory Auditor
Aston House
Cornwall Avenue
London
N3 1LF

Date: *19 June 2014*

DRIFT ST BARTHS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2013**

	Note	2013 €	2012 €
TURNOVER	1,2	1,794,913	1,591,015
Administrative expenses		(955,241)	(658,215)
OPERATING PROFIT	3	839,672	932,800
EXCEPTIONAL ITEMS	5	(112,960)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND INCOME FROM SHARES IN GROUP UNDERTAKINGS		726,712	932,800
Income from shares in group undertakings		1,280,000	1,668,000
Interest receivable and similar income	6	423,683	440
Interest payable and similar charges	7	(506,408)	(713,070)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,923,987	1,888,170
Tax on profit on ordinary activities	8	-	-
PROFIT FOR THE FINANCIAL PERIOD	15	1,923,987	1,888,170

All amounts relate to continuing operations.

The notes on pages 9 to 15 form part of these financial statements.

DRIFT ST BARTHS LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD ENDED 31 DECEMBER 2013**

	Notes	2013 €	2012 €
PROFIT FOR THE FINANCIAL PERIOD		1,923,987	1,888,170
Other recognised gains and losses during the period	9 & 15	<u>(52,994,178)</u>	<u>3,511,010</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD		<u><u>(51,070,191)</u></u>	<u><u>5,399,180</u></u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE PERIOD ENDED 31 DECEMBER 2013**

	2013 €	2012 €
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1,923,987</u>	<u>1,888,170</u>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u><u>1,923,987</u></u>	<u><u>1,888,170</u></u>
HISTORICAL PROFIT FOR THE PERIOD AFTER TAXATION	<u><u>1,923,987</u></u>	<u><u>1,888,170</u></u>

The notes on pages 9 to 15 form part of these financial statements.

DRIFT ST BARTHS LIMITED
REGISTERED NUMBER: 04005573

BALANCE SHEET
AS AT 31 DECEMBER 2013

		31 December 2013		30 September 2012	
	Note	€	€	€	€
FIXED ASSETS					
Investments	9		-		64,397,660
CURRENT ASSETS					
Debtors	10	11,423,559		10,490,244	
Investments	11	11,403,482		-	
Cash at bank		161,005		4,061	
		<u>22,988,046</u>		<u>10,494,305</u>	
CREDITORS: amounts falling due within one year	12	<u>(16,890,991)</u>		<u>(16,908,966)</u>	
NET CURRENT ASSETS/(LIABILITIES)			6,097,055		(6,414,661)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,097,055</u>		<u>57,982,999</u>
CREDITORS: amounts falling due after more than one year	13		-		(4,846,958)
NET ASSETS			<u>6,097,055</u>		<u>53,136,041</u>
CAPITAL AND RESERVES					
Called up share capital	14		4,031,328		123
Revaluation reserve	15		-		52,994,178
Profit and loss account	15		<u>2,065,727</u>		<u>141,740</u>
SHAREHOLDERS' FUNDS	16		<u>6,097,055</u>		<u>53,136,041</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



O Perouse
 Director

Date: 19 June 2014

The notes on pages 9 to 15 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and in accordance with United Kingdom Accounting Standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The group's consolidated financial statements are available at LVMH Moët Hennessy-Louis Vuitton SA, 22 Avenue Montaigne, 75008 Paris, France.

1.2 Going concern

The directors intend to voluntarily liquidate the UK companies within the Isle De France Group Limited within the next 12 months and so the going concern assumption is no longer applicable. The company retains the support of its ultimate parent company LVMH Moët Hennessy-Louis Vuitton SA (Paris, France), which has provided a written commitment, which is legally binding, to make funds available to enable the company to meet its liabilities as they fall due.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

1.5 Investments

For the years ended 30 September 2012, the company adopted the alternative accounting rules and investments were stated at valuation less provision for impairment.

For the period ended 31 December 2013, due to the intention to liquidate the company within the next 12 months, the investments have been restated to cost with a corresponding reduction in the revaluation reserve.

1.6 Foreign currencies

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013**

1. ACCOUNTING POLICIES (continued)**1.7 Presentation of preference shares**

The company has adopted the presentation requirements contained in FRS 25 'Financial Instruments: Disclosure and Presentation'. As a result of this, the preference shares have been included within creditors falling due after more than one year.

2. TURNOVER

All of the turnover arose with a subsidiary based in St Barthelemy.

3. OPERATING PROFIT

Auditors' remuneration is disclosed in the accounts of the company's ultimate parent undertaking.

4. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2012 - €NIL).

5. EXCEPTIONAL ITEMS

	2013 €	2012 €
Cost arising on aborted refinancing	112,960	-

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 €	2012 €
Foreign exchange movement on non-equity shares treated as debt	423,683	-
Other interest receivable	-	440
Total	423,683	440

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 €	2012 €
Foreign exchange movement on non-equity shares treated as debt	-	284,131
Preference dividends on non-equity shares treated as debt	506,408	428,939
Total	506,408	713,070

DRIFT ST BARTHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013**

8. TAXATION

	2013 €	2012 €
UK corporation tax charge on profit for the period/year	-	-

9. FIXED ASSET INVESTMENTS

	Investments in Subsidiary Companies €
Cost or valuation	
At 1 October 2012	64,397,660
Release of revaluation of investments	(52,994,178)
Transfer to current assets	(11,403,482)
At 31 December 2013	-
Net book value	
At 31 December 2013	-
At 30 September 2012	64,397,660

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Investissement Hotelier St Barths Plage des Flamands SAS	Ordinary shares	100%
EURL Isle de France	Ordinary shares	100%

The company holds 100% of the Ordinary shares in Investissement Hotelier Saint Barths Plage des Flamands SAS (IHSBPF SAS), a company incorporated under French law in St Barthelemy. The principal activity of IHSBPF SAS is that of hotel owner and operator.

IHSBPF SAS owns 100% of the Ordinary shares in EURL Isle de France, a company incorporated under French law in St Barthelemy. The principal activity of EURL Isle de France is that of fractional ownership management.

The aggregate of the share capital and reserves as at 30 September 2013 and profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

DRIFT ST BARTHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013**

	Aggregate of share capital and reserves	Profit/(loss) for the year
	€	€
Investissement Hotelier Saint Barth Plage des Flamands SAS EURL Isle de France	6,466,956 (1,045,713)	1,399,096 (89,160)
Total	<u>5,421,243</u>	<u>1,309,936</u>

The aggregate of the share capital and reserves, and the profit for the year, for Investissement Hotelier Saint Barth Plage des Flamands SAS and EURL Isle de France are per the statutory accounts, as prepared under French GAAP, for the year ended 30 September 2013.

10. DEBTORS

	31 December 2013	30 September 2012
	€	€
Trade debtors	-	6,691
Amounts owed by group undertakings	11,423,553	10,453,547
Other debtors	6	30,006
	<u>11,423,559</u>	<u>10,490,244</u>

11. CURRENT ASSET INVESTMENTS

	31 December 2013	30 September 2012
	€	€
Subsidiary undertakings - transfer from fixed assets (Note 9 and Note 1.5)	<u>11,403,482</u>	<u>-</u>

**12. CREDITORS:
Amounts falling due within one year**

	31 December 2013	30 September 2012
	€	€
Amounts owed to group undertakings	16,890,991	16,798,817
Other creditors	-	110,149
	<u>16,890,991</u>	<u>16,908,966</u>

All lending facilities provided to the group by the group's bankers from 1 October 2012 to 1 August 2013 were secured by a debenture incorporating a fixed and floating charge on all of the assets of the company.

The company also provided the bank with a Cross Corporate Guarantee in favour of other group

DRIFT ST BARTHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013**

**12. CREDITORS:
Amounts falling due within one year (continued)**

members over its assets.

On 1 August 2013, the group repaid all loans to the bank and the fixed and floating charges and the Cross Corporate Guarantee provided by the company were released.

**13. CREDITORS:
Amounts falling due after more than one year**

	31 December 2013 €	30 September 2012 €
Share capital treated as debt (Note 14)	-	4,846,958

Disclosure of the terms and conditions attached to the non-equity shares is made in note 14.

14. SHARE CAPITAL

	31 December 2013 €	30 September 2012 €
Shares classified as capital		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	123	123
5,555,000 Ordinary Dollar shares of \$1 each	4,031,205	-
	<u>4,031,328</u>	<u>123</u>
Shares classified as debt		
Allotted, called up and fully paid		
6,005,000 9% Preference 'A' shares of \$1 each	-	4,660,627
250,000 6% Preference 'B' shares of \$1 each	-	186,331
	<u>-</u>	<u>4,846,958</u>

On 30 July 2013 700,000 Preference 'A' shares of \$1 each were redeemed.

On 30 December 2013 5,305,000 Preference 'A' shares of \$1 each and 250,000 Preference 'B' shares of \$1 each were converted into 5,555,000 Ordinary shares of \$1 each.

DRIFT ST BARTHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013**

15. RESERVES

	Revaluation reserve €	Profit and loss account €
At 1 October 2012	52,994,178	141,740
Profit for the period		1,923,987
Release of revaluation of investments	(52,994,178)	
	<hr/>	<hr/>
At 31 December 2013	-	2,065,727

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 December 2013 €	30 September 2012 €
Opening shareholders' funds	53,136,041	49,736,861
Profit for the period/year	1,923,987	1,888,170
Dividends (Note 17)	-	(2,000,000)
Shares issued during the period (Note 14)	4,031,205	-
Other recognised gains and losses during the period (Note 15)	(52,994,178)	3,511,010
	<hr/>	<hr/>
Closing shareholders' funds	6,097,055	53,136,041

17. DIVIDENDS

	2013 €	2012 €
Dividends paid on equity capital		
Dividends paid on equity capital	-	2,000,000
	<hr/>	<hr/>
Dividends paid on shares classed as debt		
Balance of dividends paid on shares classed as debt	506,408	713,070
	<hr/>	<hr/>
Total dividends paid	506,408	2,713,070

18. CONTINGENT LIABILITIES

At 30 September 2012 the company was party to a group wide Cross Corporate Guarantee to its bankers. As a result there was a contingent liability of €17,275,810 based on the indebtedness of the other group members. There was no contingent liability at 31 December 2013 as the group's bank loans had been repaid and the company's guarantee released.

DRIFT ST BARTHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013**

19. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

20. ULTIMATE PARENT UNDERTAKING

The company's parent company is CT St Barths Limited. The ultimate parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up and of which the company is a member, is LVMH Moët Hennessy-Louis Vuitton SA, incorporated in Paris (France). The group financial statements are available to the public and may be obtained at the parent company head office, 22 Avenue Montaigne, 75008 Paris, France.

21. SUBSEQUENT EVENTS

On 26 March 2014 a capital increase of €7,234,490 was approved by the board of directors.