

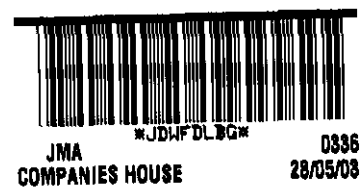
**GVC CLUBS (EUROPE) LIMITED  
(FORMERLY MAWLAW 568  
LIMITED)**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 DECEMBER 2002

Company Number : 04339551



**GVC CLUBS (EUROPE) LIMITED (FORMERLY MAWLAW 568 LIMITED)**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2002**

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Company Registration Number : 04339551

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 : Baker & McKenzie  
100 New Bridge Street  
London  
EC4V 6JA

Auditors : Grant Thornton  
Registered Auditors  
Chartered Accountants  
Heron House  
Albert Square  
Manchester  
M60 8GT

**GVC CLUBS (EUROPE) LIMITED (FORMERLY MAWLAW 568 LIMITED)**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2002**

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# **GVC CLUBS (EUROPE) LIMITED (FORMERLY MAWLAW 568 LIMITED)**

## **REPORT OF THE DIRECTORS**

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

### **Incorporation and change of name**

The company was incorporated on 13 December 2001 under the name Mawlaw 568 Limited. The name of the company was changed to GVC Clubs (Europe) Limited on 8 January 2002.

### **Principal activity**

The company's principal activity is the provision of resort management services.

### **Results and dividends**

The profit for the period after taxation amounted to £29,923. The directors do not recommend the payment of a dividend and the profit has been transferred to reserves.

### **Directors**

Mawlaw Corporate Services Limited and Mawlaw Secretaries Limited were appointed as first director and secretary of the company respectively, and resigned their positions on 15 January 2002.

The other directors who held office during the period are shown below.

N J Benson (appointed 15 January 2002, resigned 22 March 2003)

G I Bruce (appointed 15 January 2002)

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 period 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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, 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.

**GVC CLUBS (EUROPE) LIMITED (FORMERLY MAWLAW 568 LIMITED)**

**REPORT OF THE DIRECTORS**

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**Auditors**

Grant Thornton were appointed as first auditors of the company on 10 January 2003 in accordance with Section 385(3) of the Companies Act 1985, and offer themselves for reappointment.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'R J McGee', written over the printed name and title.

R J McGee  
Secretary

19 May 2003

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
GVC CLUBS (EUROPE) LIMITED (FORMERLY MAWLAW 568 LIMITED)**

We have audited the financial statements of GVC Clubs (Europe) Limited (formerly Mawlaw 568 Limited) for the period ended 31 December 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 10. These financial statements have been prepared in accordance with 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 the directors and auditors**

The directors' responsibilities for preparing the directors' 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 directors' report, and consider whether it is consistent with the audited financial statements. 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 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 31 December 2002 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
MANCHESTER**

19 May 2003

# **GVC CLUBS (EUROPE) LIMITED (FORMERLY MAWLAW 568 LIMITED)**

## **PRINCIPAL ACCOUNTING POLICIES**

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

The principal accounting policies of the company are set out below. The directors have reviewed the accounting policies following the introduction of FRS 18 and consider them to be the most appropriate to the company's circumstances.

### **TURNOVER**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

### **DEFERRED TAXATION**

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet.

### **FOREIGN CURRENCY**

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

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

### **CASH FLOW STATEMENT**

The company has taken advantage of the exemption provided by FRS 1 and has not prepared a cash flow statement on the grounds that it is a medium-sized company within the meaning of the Companies Act 1985.

**GVC CLUBS (EUROPE) LIMITED (FORMERLY MAWLAW 568 LIMITED)**

**PROFIT AND LOSS ACCOUNT**

**FOR THE PERIOD ENDED 31 DECEMBER 2002**

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	Note	2002 £
Turnover	1	9,321,803
Cost of sales		<u>(9,291,880)</u>
<b>Profit on ordinary activities before taxation</b>	1	29,923
Tax on profit on ordinary activities	3	—
<b>Profit for the financial period</b>	7	<u>29,923</u>

The results disclosed above all relate to continuing operations.

There were no recognised gains or losses other than the profit for the financial period.

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

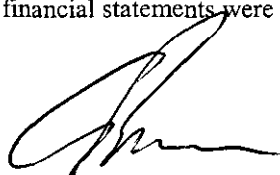


**GVC CLUBS (EUROPE) LIMITED (FORMERLY MAWLAW 568 LIMITED)**

BALANCE SHEET AT 31 DECEMBER 2002

	Note	2002 £
<b>Current assets</b>		
Debtors	4	5,102,108
Cash at bank and in hand		<u>2,541,879</u>
		7,643,987
 <b>Creditors: amounts falling due within one year</b>	5	 (7,614,063)
 <b>Net current assets</b>		 <u>29,924</u>
 <b>Capital and reserves</b>		
Called up share capital	6	1
Profit and loss account	7	<u>29,923</u>
<b>Equity shareholders' funds</b>	8	<u>29,924</u>

The financial statements were approved by the Board of Directors on 19 May 2003.



G I Bruce

Director

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

# **GVC CLUBS (EUROPE) LIMITED (FORMERLY MAWLAW 568 LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2002**

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### **1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The turnover and profit on ordinary activities before taxation are attributable to the principal activity of the company.

The profit on ordinary activities before taxation is stated after :

	<b>2002</b>
	<b>£</b>
Auditors' remuneration – audit services	<u>14,498</u>

### **2 DIRECTORS AND EMPLOYEES**

All staff are employed and paid by a fellow group company, Grand Vacation Company Limited. The directors did not receive any emoluments for services to the company during the period.

### **3 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2002</b>
	<b>£</b>
The taxation charge is based on the profit for the period and represents :	
UK Corporation tax at 30%	<u>—</u>

#### **Factors affecting the tax charge for the period**

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom of 30%. The differences are explained as follows :

	<b>2002</b>
	<b>£</b>
Profit on ordinary activities before taxation	<u>29,923</u>
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 30%	8,977
Effect of:	
Group relief	<u>(8,977)</u>
Current tax charge for the period	<u>—</u>

# GVC CLUBS (EUROPE) LIMITED (FORMERLY MAWLAW 568 LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2002

### 4 DEBTORS

	2002 £
Amounts owed by group undertakings	2,947,781
Other debtors	2,085,720
Prepayments and accrued income	68,607
	<u>5,102,108</u>

### 5 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £
Trade creditors	49,450
Amounts owed to group undertakings	2,860,124
Other taxation and social security	60,244
Other creditors	2,759,306
Accruals and deferred income	1,884,939
	<u>7,614,063</u>

### 6 SHARE CAPITAL

	2002 £
<b>Authorised</b>	
100,000 Ordinary shares of £1 each	<u>100,000</u>
<b>Allotted, called up and fully paid</b>	
1 Ordinary share of £1 each	<u>1</u>

The company was incorporated on 13 December 2001 with an authorised share capital of £100,000 comprising 100,000 ordinary shares of £1 each. On incorporation, the company made an allotment of one ordinary £1 share, issued at par.

### 7 PROFIT AND LOSS ACCOUNT

	£
At incorporation	—
Profit for the financial period	<u>29,923</u>
At 31 December 2002	<u>29,923</u>

# **GVC CLUBS (EUROPE) LIMITED (FORMERLY MAWLAW 568 LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2002**

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### **8 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS**

	<b>2002</b>
	<b>£</b>
Issue of share capital	1
Profit for the financial period	29,923
Increase in equity shareholders' funds	<u>29,924</u>
Equity shareholders' funds on incorporation	<u>—</u>
Closing equity shareholders' funds	<u><u>29,924</u></u>

### **9 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.

### **10 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.