

MIDMARK 9 LIMITED
(Company limited by guarantee)
Registered in Scotland number 112721

Report of the Directors

The directors herewith present their report together with the unaudited financial statement for the year ended 31st March 2003.

Activities

The principal activity of the company is that of holding shares in property owning companies on behalf of third parties. The shares are held by the company as laid out in a Trust Deed dated 31st December 1988 in accordance with the constitution of Club Alegria, a Club which was formed with the object of securing occupation rights to property for its members.

No income has accrued to the company during the year. All expenditure in relation to the management and maintenance of the company is borne by the third parties on behalf of the members of Club Alegria.

Directors

The directors of the company throughout the year was:-

Philip Michael Broomhead (Resigned on 31st May 2002)

Paul Gardner-Bougaard (Resigned on 31st May 2002)

Mark Alan Muller (Appointed on 31st May 2002)

Anthony Desmond Seelldrayers (Appointed on 31st May 2002)

Secretary

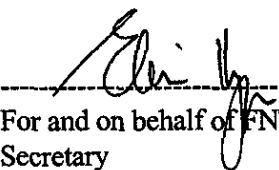
The secretary of the company throughout the year was:-

FNTC (Secretaries) Limited

Auditors

The company is exempt from audit under the provisions of the Companies Act 1985 (Audit Exemption) Regulations 1994.

By order of the Board, 13th August 2003.


For and on behalf of FNTC (Secretaries) Limited
Secretary



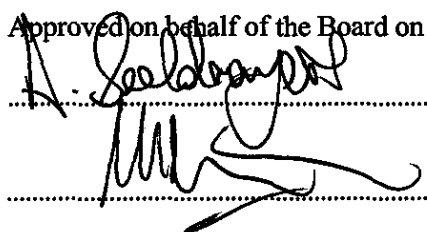
MIDMARK 9 LIMITED
(Company limited by guarantee)
Balance Sheet as at 31st March 2003

	Note	2003 £	2002 £
ASSETS			
Investment in subsidiary	2 & 3	-	-
		£ -	£ -
CAPITAL AND RESERVES			
	4 & 5	-	-
		£ -	£ -

Notes to the financial statements:

- Accounting Policies**
The financial statements have been prepared under the historical cost convention.
- Basis of consolidation.**
The company has not prepared consolidated accounts as in the directors' opinion it would be of no real value to the members.
- Midmark 9 Limited holds one ordinary share of £1, representing 50% of the entire issued share capital, of Adelphi Properties Limited, a company registered in Gibraltar which holds legal title to property situated at Club Alegria, Complejo Galcanary, Caleta de Fuste, Fuerteventura, Canary Islands. The subsidiary company holds legal title only and does not hold occupational rights or residual equity interest in the property. The shares were transferred to Midmark 9 Limited in accordance with the terms of the Constitution and Trust Deed of Club Alegria. The shares are therefore shown at nil value.
- The company has not derived income from any activity during the year and any expenses attributable to the company have been met by third parties. No Profit and Loss Account has therefore been prepared. There are no recognized gains or losses.
- The liability of the company is limited by guarantee and each of the members undertakes to contribute up to £1 in the event of any deficit arising on the winding up of the company. There was one member as at 31st March 2003. The company is controlled by the Trustee, First National Trustco (UK) Limited, on behalf of the members from time to time of Club Alegria.
- There has been no movement in members' funds during the year.
- Statements by the directors required under the Companies Act 1985 (Audit Exemption) Regulations 1994**
The company was entitled to the exemption conferred by subsection (1) of section 249A for the year ended 31st March 2003.
No notice has been deposited under subsection (2) of section 249B in relation to the accounts for the year ended 31st March 2003.
The directors acknowledge their responsibilities for
(i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
(ii) 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 requirements of the Act relating to accounts, so far as applicable to the company.
- The accounts are prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

Approved on behalf of the Board on 13th August 2003.



Directors