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Leisurecorp Limited

Report and Financial Statements

31 December 2009

Directors

Binod Narasimhan (appointed 23 December 2009, resigned 1 February 2010)
Mark Bennett Troy (appointed 1 February 2010)
Hamza Ali Abdullatif Mustafa (appointed 1 February 2010)

Secretary

Binod Narasimhan (resigned 1 February 2010)
Mark Bennett Troy (appointed 1 February 2010

Auditors

Ernst & Young LLP
George House
50 George Square
Glasgow G2 1RR

Bankers

Royal Bank of Scotland
Global Banking Markets
135 Bishopsgate
London EC2M 3UR

Registered Office

C/o Maclay Murray & Spens LLP
One London Wall
London EC2Y 5AB

Directors' report

The directors present their report and financial statements for the year ended 31 December 2009

Results and dividends

The profit for the year, after taxation, amounted to £1,000 (2008 – £6 000) The directors do not recommend the payment of any dividends (2008 – £nil)

Principal activity, review of the business and future developments

The principal activity of the company is to provide services to other companies in the Leisurecorp LLC group in the UK

The accounting reference date of the company was shortened to end on 31 December 2008 on 10 July 2009

The company's key financial and other performance indicators during the year were as follows

	2009	*2008*
	£000	*£000*
Turnover	8	68
Profit after tax	1	6

The directors aim to maintain policies which will show a further growth in turnover with increased services to support other companies in the Leisurecorp LLC group in the UK

The income represents interest income on short-term bank deposits The reduction in the current year income is on account of reduced bank deposits and also a reduction in interest rates

Going Concern

The Company's principal activity and review of the business are set out in the Directors' report above In addition, the principal risks and uncertainties are noted below

Leisurecorp LLC, the ultimate parent undertaking has confirmed it will provide all necessary financial support to the company in the foreseeable future and at least for a period of 12 months from the date of signing of the financial statements

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of Leisurecorp LLC, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Directors

The directors who served the company during the year are as listed below

Tony Charles Sole	(resigned 23 December 2009)
David Thomas Spencer	(resigned 14 May 2009)
Alan John Rogers	(resigned 27 January 2009)
Abdul Wahid Al Ulama	(appointed 27 January 2009 resigned 23 December 2009)
Binod Narasimhan	(appointed 23 December 2009 resigned 1 February 2010)
Mark Bennett Troy	(appointed 1 February 2010)
Hamza Ali Abdullatif Mustafa	(appointed 1 February 2010)

Directors' report

Principal risks and uncertainties

The company continues to look at risks and uncertainties during its monthly strategic meetings

Interest rate and Liquidity risk

The company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets The company's policy is to maintain sufficient cash balances and borrowing facilities as required to support its trading activities

The company's exposure to interest rate risk is low and the company does not contract into any financial instruments to manage the effect of movements in interest rates

Credit risk

The company deposits its surplus funds at UK banks which are considered to have an acceptable credit rating

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

By order of the Board

Hamza Ali Abdullatif Mustafa
Director
09 December 2010

Statement of directors' responsibilities

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 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 judgments and accounting estimates that are reasonable and prudent,
- 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

Independent auditors' report

to the members of Leisurecorp Limited

We have audited the financial statements of Leisurecorp Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 10 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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 (APB'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

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 2009 and of its profit for the year 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
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Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year 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

Ernst & Young LLP

Annie Graham (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Glasgow

9 November 2010.

Profit and loss account

for the year ended 31 December 2009

	Notes	Year ended 31 December 2009 £000	Period ended 31 December 2008 £000
Turnover	2	8	68
Cost of sales		–	–
Gross profit		8	68
Administrative expenses		(7)	(62)
Operating profit	3	1	6
Profit on ordinary activities before taxation		1	6
Taxation	4	–	–
Profit for the year		1	6

Statement of total recognised gains and losses

for the year ended 31 December 2009

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £1,000 in the year ended 31 December 2009 (31 December 2008– profit of £6,000)

Balance sheet

at 31 December 2009

	Notes	2009 £000	2008 £000
Current assets			
Debtors	5	13,723	4,612
Cash at bank and in hand		16	93
		13,739	4,705
Creditors amounts falling due within one year	6	13,732	4,699
Net current assets		7	6
Capital and reserves			
Called up share capital	7	–	–
Profit and loss account	8	7	6
Equity shareholders' funds		7	6

Approved by the board

Director Hamza Ali Abdullatif Mustafa

9 December 2010

Notes to the financial statements

at 31 December 2009

1. Accounting policies

Basis of preparation

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

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 exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date dividends have been accrued as receivable,

- 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 rates 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

Going concern

Leisurecorp LLC, the ultimate parent undertaking has confirmed it will provide all necessary financial support to the company in the foreseeable future and at least for a period of 12 months from the date of signing of the financial statements

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of Leisurecorp LLC, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Revenue Recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance Revenue is measured at the fair value of consideration received, excluding discounts VAT and other sales or tax duty

2. Turnover

Turnover represents the amounts derived from the company s ordinary activities, stated net of value added tax Turnover is derived on a cost plus margin formula agreed between the company and its parent Leisurecorp LLC The margin agreed for 2009 was 9%

Notes to the financial statements

at 31 December 2009

3. Operating profit

This is stated after charging

	Year ended 31 December 2009 £000	Period ended 31 December 2008 £000
Auditors' remuneration – audit services	7	17

4. Tax

(a) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities is lower than the standard rate of corporation tax in the UK of 28% (2008 28%) The differences are reconciled below

	Year ended 31 December 2009 £000	Period ended 31 December 2008 £000
Profit on ordinary activities before taxation	(1)	(6)
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28%)	–	(2)
Effects of		
Group relief received for nil payment	–	(2)
Total current tax	–	–

(b) Factors that might affect future tax charges

It was announced in the Budget of 22 June 2010 that the UK corporation tax rate will reduce by 1% per year from 1 April 2011 for four years, bringing the corporation tax rate down to 24% from 1 April 2014 There is also a proposed reduction in the main and special rates of capital allowances to 18% and 8% respectively for accounting periods ending after April 2012 These changes will affect the amount of future cash tax payments to be made by the company

Notes to the financial statements

at 31 December 2009

5. Debtors: Amounts falling due within one year

	2009	*2008*
	£000	*£000*
Amounts owed from group undertaking	13,723	4,569
Other debtors	–	43
	13,723	4,612

6. Creditors: Amounts falling due within one year

	2009	*2008*
	£000	*£000*
Amounts owed to group undertakings	13 723	4,682
Accruals	9	17
	13,732	4,699

Amounts owed to other group undertakings include an interest free loan from Leisurecorp Scotland Ltd of £93,000 (2008 – £93,000), an interest free loan from Leisurecorp LLC of £11,363,000 (2008 – £4,589 000) an interest free loan from Dubai World of £2,250,000 (2008 –£nil) and an interest free loan from SLC Turnberry Ltd of £17,000 (2008 –£nil) These loans are repayable on demand

7. Share capital

		2009		*2008*
Allotted, called up and fully paid	*No*	*£*	*No*	*£*
Ordinary shares of £1 each	1	1	1	1

Notes to the financial statements

at 31 December 2009

8. Reconciliation of shareholders' funds and movements on reserves

	Share capital £000	*Profit and loss account £000*	*Total Share-holders' funds £000*
At 1 January 2009	-	6	6
Profit for the year		1	1
At 31 December 2009	-	7	7

9. Related Party Transactions

The company has utilised the exemption under FRS 8 as a wholly owned subsidiary not to disclose transactions with other entities that are part of, or investees of Leisurecorp LLC

10. Ultimate parent undertaking

The immediate parent undertaking is Leisurecorp LLC, a company incorporated in United Arab Emirates

The ultimate parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Dubai World Corporation, a company incorporated in United Arab Emirates

Copies of the financial statements of the company can be obtained from Leisurecorp LLC, Jumeirah Golf Estates, Emirates Road, P O BOX 262080, Dubai, United Arab Emirates