

Company Registration No. SC227833

NOVEMBER LEISURE LIMITED

Report and Financial Statements

30 June 2010

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NOVEMBER LEISURE LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

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NOVEMBER LEISURE LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Sir D E Murray
J D G Wilson
D W M Horne
D D Murray – resigned 5 May 2010
K A Murray – resigned 6 July 2010
M S McGill – appointed 5 March 2010

SECRETARY

D W M Horne

REGISTERED OFFICE

9 Charlotte Square
Edinburgh
EH2 4DR

BANKERS

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

SOLICITORS

Dundas & Wilson
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

INDEPENDENT AUDITORS

Grant Thornton UK LLP
95 Bothwell Street
Glasgow
G2 7JZ

NOVEMBER LEISURE LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2010. The directors' report has been prepared under the special provisions relating to small companies under section 415A of the Companies Act 2006.

ACTIVITIES

During the prior period the company discontinued its operations and ceased trading.

REVIEW OF DEVELOPMENTS

The retained profit for the year to 30 June 2010 was £218,225 (17 months ended 30 June 2009 – loss of £758,920).

DIVIDENDS

No dividend was paid or proposed in respect of the year (17 months ended 30 June 2009 – £nil).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

Sir D E Murray

J D G Wilson

D W M Horne

D D Murray – resigned 5 May 2010

K A Murray – resigned 6 July 2010

M S McGill – appointed 5 March 2010

At 30 June 2010, none of the directors held any interest in the share capital of the company (30 June 2009 – nil). The interests of the directors in the share capital of the ultimate holding company (Note 13) are disclosed in the directors' report accompanying that company's financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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
- 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 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.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

NOVEMBER LEISURE LIMITED

DIRECTORS' REPORT (CONTINUED)

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks as discussed below. The company has a risk management programme that seeks to limit the effect of such risks on financial performance.

Foreign currency risk:

The company does not routinely enter into foreign currency transactions and the directors therefore consider the company is not exposed to any significant foreign currency movement risk.

Credit risk:

The company is exposed to credit related losses in the event of non-performance by transaction counterparties, but mitigates such risk through its policy of selecting only counterparties with high credit ratings.

Liquidity risk:

Operations are financed by a mixture of shareholders' funds and bank borrowings when required. The objective is to ensure a mix of funding methods offering flexibility and cost effectiveness to match the needs of the company.

Cashflow risk:

The company's policy is to arrange bank overdrafts with a floating rate of interest plus an agreed margin.

INDEPENDENT AUDITORS

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488 (1) of the Companies Act 2006.

Approved by the Board of Directors
and signed by order of the Board



D W M Horne

Secretary

22 October 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NOVEMBER LEISURE LIMITED

We have audited the financial statements of November Leisure Limited for the year ended 30 June 2010 which comprise the profit and loss account, balance sheet and the related notes. 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 2, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

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 30 June 2010 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.

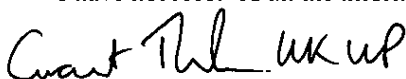
Opinion on other matter prescribed by the Companies Act 2006

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.



Andrew Howie
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow
25 October 2010

NOVEMBER LEISURE LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 June 2010

	Note	Year ended 30 June 2010 £	17 months ended 30 June 2009 £
TURNOVER		-	363,163
Cost of sales		-	(171,377)
		<u>-</u>	<u>(171,377)</u>
GROSS PROFIT		-	191,786
Other operating expenses		(34,724)	(634,317)
		<u>(34,724)</u>	<u>(634,317)</u>
OPERATING LOSS		(34,724)	(442,531)
Losses on the termination of operations		-	(254,856)
		<u>-</u>	<u>(254,856)</u>
LOSS BEFORE INTEREST		(34,724)	(697,387)
Interest payable and similar charges	2	(14,351)	(61,533)
		<u>(14,351)</u>	<u>(61,533)</u>
LOSS BEFORE TAXATION	3	(49,075)	(758,920)
Tax credit on loss on ordinary activities	5	267,300	-
		<u>267,300</u>	<u>-</u>
RETAINED PROFIT / (LOSS) FOR THE FINANCIAL YEAR / PERIOD	10	<u>218,225</u>	<u>(758,920)</u>

The current year and prior period results have been derived wholly from activities classified as discontinued at the year end.

There have been no recognised gains and losses attributable to the shareholders other than the profit for the current year and loss for the preceding financial period and accordingly, no statement of total recognised gains and losses is shown.

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

NOVEMBER LEISURE LIMITED

BALANCE SHEET 30 June 2010

	Note	30 June 2010 £	30 June 2009 £
CURRENT ASSETS			
Stock	6	-	13,914
Debtors	7	1,852	19,363
Cash at bank and in hand		6,399	-
		<u>8,251</u>	<u>33,277</u>
CREDITORS: amounts falling due within one year	8	(1,061,124)	(1,304,375)
NET CURRENT LIABILITIES		<u>(1,052,873)</u>	<u>(1,271,098)</u>
NET LIABILITIES		<u>(1,052,873)</u>	<u>(1,271,098)</u>
CAPITAL AND RESERVES			
Called-up share capital	9	1	1
Profit and loss account	10	(1,052,874)	(1,271,099)
SHAREHOLDERS' DEFICIT	11	<u>(1,052,873)</u>	<u>(1,271,098)</u>

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

These financial statements were approved by the Board of Directors on 22 October 2010.

Signed on behalf of the Board of Directors



M S McGill
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2010

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the current year and prior period.

Basis of accounting

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

The balance sheet at 30 June 2010 shows that the Company is in a net liability position. The directors have reviewed the trading prospects and projected cash flows of the business and have agreed funding from its immediate parent company (Note 13) based on these projections as part of a refinancing agreement. On that basis the directors have a reasonable expectation that there are adequate resources to allow the Company to continue to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, the directors have determined that it is appropriate to continue to adopt the going concern basis of accounting in the preparation of these financial statements.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The taxation liabilities of certain group undertakings are reduced wholly or in part by the surrender of losses by other group undertakings. The tax benefits arising from group relief are recognised in the financial statements of the surrendering undertakings.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 not recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Further information on future commitments is disclosed in Note 12(d).

2. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 June 2010 £	17 months ended 30 June 2009 £
On bank overdrafts	14,351	61,533

NOVEMBER LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 30 June 2010

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging:

	Year ended 30 June 2010 £	17 months ended 30 June 2009 £
Depreciation of tangible fixed assets	-	76,198
Operating lease rentals		
- equipment	-	3,667
- property	11,000	49,317
	<u>11,000</u>	<u>49,317</u>

Auditors' fees are borne by a fellow group undertaking.

4. STAFF COSTS

The average monthly number of employees was:

	Year ended 30 June 2010 Number	17 months ended 30 June 2009 Number
Sales	-	6
Production	-	7
Administration	-	1
	<u>-</u>	<u>14</u>

The aggregate remuneration comprised:

	Year ended 30 June 2010 £	17 months ended 30 June 2009 £
Wages and salaries	-	281,388
Social security costs	-	23,452
	<u>-</u>	<u>304,840</u>

There were no directors' emoluments in the current year or preceding period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 June 2010

5. TAX ON LOSS ON ORDINARY ACTIVITIES

The tax credit is based on the loss for the year / period and comprises:

	Year ended 30 June 2010 £	17 months ended 30 June 2009 £
Current tax		
UK corporation tax at 28% (2009 – 28.23%)	-	-
Adjustments in respect of prior period	267,300	-
Tax credit on loss on ordinary activities	<u>267,300</u>	<u>-</u>

There is an unrecognised deferred taxation asset balance at 30 June 2010 of £13,250 (30 June 2009 – asset of £265,122). In accordance with the company's accounting policy, such assets are recognised only when their recoverability can be regarded as certain.

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	Year ended 30 June 2010 £	17 months ended 30 June 2009 £
Loss on ordinary activities before taxation	<u>(49,075)</u>	<u>(758,920)</u>
Tax credit on loss on ordinary activities at standard UK corporation tax rate of 28% (2009 – 28.23%)	13,741	214,243
Effects of:		
Adjustments in respect of prior period	267,300	-
Expenses not deductible for tax purposes	(491)	-
Income not taxable net of expenses not deductible for tax purposes	-	(20,694)
Depreciation in excess of capital allowances	-	(8,178)
Unrelieved tax losses and other deductions arising in the period	(13,250)	(185,371)
Current tax credit for year / period	<u>267,300</u>	<u>-</u>

6. STOCK

	30 June 2010 £	30 June 2009 £
Goods for resale	<u>-</u>	<u>13,914</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

NOVEMBER LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 30 June 2010

7. DEBTORS

	30 June 2010 £	30 June 2009 £
Amounts due within one year:		
Trade debtors	-	16,279
Other debtors	19	1,251
Prepayments	1,833	1,833
	<u>1,852</u>	<u>19,363</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

The following amounts are included in creditors falling due within one year:

	30 June 2010 £	30 June 2009 £
Bank overdraft (secured)	-	1,111,731
Amounts due to other group undertakings	1,034,974	175,692
VAT	10	381
Accruals	26,140	16,571
	<u>1,061,124</u>	<u>1,304,375</u>

The bank overdraft is secured by a bond and floating charge over the assets of the company.

9. CALLED-UP SHARE CAPITAL

	30 June 2010 £	30 June 2009 £
<i>Authorised:</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called-up and fully paid:</i>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 June 2010

10. PROFIT & LOSS ACCOUNT

	30 June 2010 £	30 June 2009 £
Beginning of the year / period	(1,271,099)	(512,179)
Retained profit / (loss) for the year / period	<u>218,225</u>	<u>(758,920)</u>
End of the year / period	<u>(1,052,874)</u>	<u>(1,271,099)</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	30 June 2010 £	30 June 2009 £
Retained profit / (loss) for the period / year	218,225	(758,920)
Opening shareholder' deficit	<u>(1,271,098)</u>	<u>(512,178)</u>
Closing shareholders' deficit	<u>(1,052,873)</u>	<u>(1,271,098)</u>

12. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

a) Capital commitments

There were no capital commitments at 30 June 2010 (30 June 2009 – £nil).

b) Contingent liabilities

The company has guaranteed bank borrowings of its ultimate holding company and certain other subsidiary undertakings. The total contingency at 30 June 2010 amounts to £692,206,137 (30 June 2009 - £446,930,462). Security for the guarantees consists of a bond and floating charge over the assets of the company.

c) VAT

The company is registered for VAT purposes in a group of undertakings which share a common registration number. As a result, it has jointly guaranteed the VAT liability of the group and failure by other members of the group to meet their VAT liabilities would give rise to additional liabilities for the company. The directors are of the opinion that no additional liability is likely to arise.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 June 2010

12. GUARANTEES AND OTHER FINANCIAL COMMITMENTS (CONTINUED)

d) Lease obligations

At 30 June 2010 the company had annual commitments under non-cancellable operating leases as set out below:

	Land & buildings 2010 £	Land & buildings 2009 £
Operating leases expiring in:		
More than five years	11,000	11,000

13. ULTIMATE HOLDING COMPANY

The ultimate holding company is Murray International Holdings Limited and the immediate parent company is Murray Group Management Limited, both of which are registered in the United Kingdom. The largest and smallest group in which the results of the company are consolidated is that headed by the ultimate holding company whose principal place of business is at 9 Charlotte Square, Edinburgh, EH2 4DR. Copies of Murray International Holdings Limited financial statements are available from the above address.

14. ULTIMATE CONTROL

Sir D E Murray, a director of the ultimate holding company (Note 13), and members of his close family control the company as a result of controlling directly or indirectly 76% (30 June 2009 – 88%) of the issued share capital of the ultimate holding company.

15. RELATED PARTY TRANSACTIONS

In accordance with the exemptions provided under Financial Reporting Standard 8 for companies whose voting rights are 100% owned within a group, the company has not disclosed transactions with other wholly owned subsidiary undertakings of the ultimate holding company (Note 13).

16. CASH FLOW STATEMENT

The company is exempt from the requirements of Financial Reporting Standard 1 (Revised) to include a cash flow statement as part of its financial statements because it is a wholly owned subsidiary of Murray International Holdings Limited whose financial statements contain a consolidated cash flow statement and are available to the public.