Registered number: SC340903

LEISURECORP SCOTLAND LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

LEISURECORP SCOTLAND LIMITED
Registered No. SC340903

Directors

Daniel Gillespie	(appointed 14 May 2015)
Hamish Stuart	(appointed 14 June 2015)

Secretary

Daniel Gillespie	(appointed 14 May 2015)

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers
Bank of Scotland
17 Dalrymple Street
Girvan
Ayrshire KA26 9EU

Registered Office
1 George Square
Glasgow G2 1AL

Solicitors
Maclay, Murray & Spens LLP
1 George Square
Glasgow G2 1AL

LEISURECORP SCOTLAND LIMITED

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LEISURECORP SCOTLAND LIMITED
Registered No. SC340903

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors present their Strategic report on Leisurecorp Scotland Limited (the 'Company') for the year ended 31 December 2014.

Principal activities and review of the business

The Company was the primary holding company of SLC Turnberry Limited which operated the Turnberry resort and associated leisure facilities.

As at 31 December 2013 the Company was owed £39,567,727 in respect of a loan to its subsidiary undertaking SLC Turnberry Limited. On 27 April 2014 the Company demanded full repayment of the loan and accepted in full satisfaction of the loan, subscription by the Company of a further 39,567,727 ordinary shares of £1 each in the share capital of SLC Turnberry Limited for the total aggregate subscription of £39,567,727.

On 28 April 2014 the Company entered into a sale and purchase agreement ("SPA") for the sale of its investment in SLC Turnberry Limited for a gross consideration of £33,677,000. Completion of the sale occurred on 11 June 2014.

The loss for the financial year amounted to £5,607,000 (2013 - loss of £1,142,000).

The Company has not engaged in further commercial trading activity and the financial statements summarise the investment activity during the year.

On behalf of the board

Daniel Gillespie

Director
30 September 2015

LEISURECORP SCOTLAND LIMITED
Registered No. SC340903

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors present their report and audited financial statements for Leisurecorp Scotland Limited (the 'Company') for the year ended 31 December 2014.

Dividends

The Directors do not recommend the payment of any dividends (2013 - £nil).

The Company's principal activity and review of the business is set out in the Strategic report.

Future developments

Following completion of the SLC Turnberry Limited sale, the Company is considering its future investment options.

Going Concern

The Company has net liabilities of £1,613,000 as at 31 December 2014 *(2013: net assets £3,994,000)*. Amounts falling due to its intermediate parent undertaking are £35,658,000 of which £21,255,000 is due within one year. Golf Investment Group Limited has confirmed that it will not require repayment of this sum within 12 months of the date of signing of these financial statements and have issued a letter of support to this effect. Based on this undertaking, the directors consider it remains appropriate to prepare the financial statements on a going concern basis.

Directors

The Directors of the Company who were in office during the year were:

Mark Bennett Troy (resigned 14 May 2015)
Ian Alastair Humphries-Russ (resigned 14 June 2015)
Daniel Gillespie (appointed 14 May 2015)
Hamish Stewart (appointed 14 June 2015)

Directors' indemnity insurance

All Directors are entitled to contractual indemnification from the Company to the extent permitted by law against claims and legal expenses incurred in the course of their duties. Such qualifying third party indemnity insurance is provided and remains in force as at the date of approving the Directors' report.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Stategic report and 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 prepared 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 judgements 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;
- 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.

LEISURECORP SCOTLAND LIMITED
Registered No. SC340903

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

On behalf of the board

Daniel Gillespie

Director
30 September 2015

Independent auditors' report to the members of Leisurecorp Scotland Limited

Report on the financial statements

Our opinion

In our opinion, Leisurecorp Scotland Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.

S Copeland

Sonia Copeland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 September 2015

LEISURECORP SCOTLAND LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	*2014* *£'000*	*2013* *£'000*
Loss on sale of investment in subsidiary	8	(5,891)	-
Foreign exchange gain on investing activities		284	-
		(5,607)	-
OPERATING LOSS	3	(5,607)	-
Interest payable	5	-	(2,190)
Interest receivable	6	-	1,048
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,607)	(1,142)
Tax on loss on ordinary activities	7	-	-
LOSS FOR THE FINANCIAL YEAR	13	**(5,607)**	**(1,142)**

All results derive from continuing operations.

There is no material difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

There are no recognised gains or losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 9 to 13 form part of the financial statements.

LEISURECORP SCOTLAND LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2014

	Notes	*2014* £'000	*2013* £'000
FIXED ASSETS			
Investment in subsidiary	8	-	-
		-	-
CURRENT ASSETS			
Debtors: amounts falling due within one year	9	29,550	39,661
Cash at bank		4,504	-
		34,054	39,661
CREDITORS: amounts falling due within one year	10	(21,264)	(21,264)
NET CURRENT ASSETS		12,790	18,397
TOTAL ASSETS LESS CURRENT LIABILITIES		12,790	18,397
CREDITORS: amounts falling due after more than one year	11	(14,403)	(14,403)
Net (liabilities)/assets		(1,613)	3,994
NET LIABILITIES		**(1,613)**	**3,994**
CAPITAL AND RESERVES			
Called up share capital	12	5,500	5,500
Capital reserve	13	41,276	41,276
Profit and loss account	13	(48,389)	(42,782)
TOTAL SHAREHOLDERS' DEFICIT	13	**(1,613)**	**3,994**

The financial statements on pages 6 to 13 were approved by the Board of Directors on 28 September 2015 and signed on its behalf by:

Daniel Gillespie
Director

30 September 2015

The notes on pages 9 to 13 form part of the financial statements.

LEISURECORP SCOTLAND LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Share Capital	Capital Reserve	Retained Earnings	Total Equity
	£'000	*£'000*	*£'000*	*£'000*
At 1 January 2013	5,500		(41,640)	(36,140)
Loss for the year	-	-	(1,142)	(1,142)
Effect of release of intergroup balances and shareholder loans	-	41,276	-	41,276
At 31 December 2013	**5,500**	**41,276**	**(42,782)**	**3,994**
Loss for the year	-	-	(5,607)	(5,607)
At 31 December 2014	**5,500**	**41,276**	**(48,389)**	**(1,613)**

The notes on pages 9 to 13 form part of the financial statements.

1. Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and have been applied consistently throughout the year.

The Directors have taken advantage of the exemption in FRS 1 (revised 1996) 'Cash Flow Statement' from including a cash flow statement in the financial statements on the grounds that the Company is wholly owned and its Parent publishes consolidated financial statements.

Going concern

The financial statements have been prepared on the going concern basis as the directors have received written confirmation from its intermediate parent undertaking, Golf Investment Group Limited, that it will not require repayment of £21,255,000 within 12 months of the date of signing of these financial statements and have issued a letter of support to this effect.

Investment in subsidiaries

Investments held as fixed assets are shown at cost less provision for impairment.

Impairment losses are recognised in the profit and loss account in the period in which they arise.

Profit or loss on disposal of an investment in a subsidiary is recognised in the profit and loss account in the period the disposal arises. The profit or loss is calculated as the difference between the consideration received adjusted for direct costs of sale less the carrying value of the investment.

Policy for reversal of impairment

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

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 retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Taxation

The charge for current taxation for the year is based on the result for the year, adjusted for disallowable items.

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.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and balances in bank accounts with no notice or less than three months' notice from inception.

1. Accounting policies (continued)

Capital Contribution Policy

The release of inter-company creditors, which is non-reciprocal in nature, is recorded as a capital contribution and taken directly to equity. As such, the carrying value of the loans waived is reclassified to a capital reserve in equity with no gain or loss being recognised.

2. Directors' emoluments

Directors' emoluments for the current, and prior year were borne by Istithmar World PJSC, the intermediate parent undertaking.

3. Operating loss

(a) The Company's business is organised in the United Kingdom.

(b) The basis of charging intra-group interest is agreed between the parties form time to time.

(c) Fees for audit and non-audit services in the current and previous years have been borne by other group undertakings. The fee for 2014 is £7,500.

(d) The loss for the year is driven by the loss on sale of subsidiary investments (note 8).

4. Staff costs

The Company has no employees (2013:none) other than the Directors, who did not receive any remuneration (2013: £NIL). The Directors are also Directors/employees of, and were paid by, Istithmar World PJSC. The Directors do not believe that its is practicable to apportion these emoluments between their services as Directors of the Company and their services as Directors/employees of other group undertakings.

5. Interest payable

	2014	*2013*
	£000	*£000*
On intercompany loans	-	2,190
	-	2,190

6. Interest receivable

	2014	*2013*
	£000	*£000*
On intercompany loans	-	1,048
	-	1,048

7. Tax on loss on ordinary activities

(a) Analysis of tax credit

	2014	*2013*
	£000	*£000*
Current tax:	-	-
Adjustment in respect of prior years	-	-
Total current tax credit (note 7(b))	-	-

7. Tax on loss on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities is the same as (2013:higher than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25.%). The differences are reconciled below:

	2014	2013
	£000	£000
Loss on ordinary activities before taxation	(5,607)	(1,142)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	(1,206)	(266)
Effects of:		
Deferred tax asset not recognised/expenses not deductible for tax purposes	1,206	266
Total current tax credit (note 7(a))	-	-

(c) Deferred tax

The Company has trading losses carried forward resulting in a deferred tax asset of £9.6m (2013 - £8.4m). This is not recognised as there is no certainty of suitable taxable profits in the future against which the losses can be offset.

(d) Factors that might affect future tax charges

The reductions in the corporation tax rate from 21% to 20% from 1 April 2015 announced in the March 2013 Budget were substantively enacted on 2 July 2013. The corporation tax rate will reduce further from 20% to 19% in 2017 and 18% in 2020 as announced in the July 2015 Budget. The rate changes will impact the amount of the future tax charges recognised by the Company. However, it is not considered to have any material effect on the current year results.

8. Investments

	2014	2013
	£000	£000
Cost:		
At 1 January	31,234	31,234
Additions	39,568	-
Disposal	(39,568)	-
At 31 December	31,234	31,234
Impairment:		
At 1 January and 31 December	(31,234)	(31,234)
	(31,234)	(31,234)
Net book value at 31 December	-	-

As at 31 December 2013 the company had an investment in SLC Turnberry Limited of (£nil), following impairment in previous years. On 27 April 2014 the loan from the company to SLC Turnberry Limited was repaid through share subscription in SLC Turnberry Limited to the value of £39,567,727. On 28 April 2014 the investment in SLC Turnberry Limited was sold for £33,677,000 leading to a loss on disposal of £5,890,727.

9 Debtors: amounts falling due within one year

	2014	*2013*
	£000	*£000*
Amounts owed by group undertakings	29,550	39,661
	29,550	39,661

At the year end amounts owed by group undertakings comprise of £29,457,000 due from Istithmar Building FZE and £93,000 due from Leisurecorp Limited. All amounts are unsecured, interest free and have no agreed repayment schedule.

Following the repayment of £39,567,727 due from SLC Turnberry Limited through share subscription and following the sale of the investment in SLC Turnberry Limited, the Company advanced £29,457,000 to Istithmar Building FZE.

10. Creditors: amounts falling due within one year

	Company	
	2014	*2013*
	£000	*£000*
Amounts owed to group undertakings	21,255	21,255
Accruals and deferred income	9	9
	21,264	21,264

Amounts owed to group undertaking due to Golf Investment Group Limited and is unsecured and payable on demand.

11. Creditors: amounts falling due after more than one year

	Company	
	2014	*2013*
	£000	*£000*
Amounts owed to group undertakings	14,403	14,403
	14,403	14,403

Amounts owed to other group undertaking includes a loan from Golf Investment Group Limited. The loan is unsecured, payable on demand and attracts interest of 4.47% per annum. The interest was waived during the year.

12. Called up share capital

	2014	*2013*
	No.	*No.*
Authorised	*000*	*000*
Ordinary shares of £1 each	5,600	5,600

	2014	*2013*
	No.	*No.*
Allotted, called up and fully paid	*000*	*000*
Ordinary shares of £1 each	5,500	5,500

13. Reconciliation of movements in shareholders' deficit and movements on reserves

	Called up share capital	*Capital reserve*	*Profit and loss account*	*Total share-holders' deficit*
	£000	*£000*	*£000*	*£000*
At 1 January 2013	5,500	-	(41,640)	(36,140)
Effect of release of intergroup balances and shareholder loans	-	41,276	-	41,276
Loss for the financial year	-	-	(1,142)	(1,142)
At 31 December 2013	**5,500**	**41,276**	**(42,782)**	**3,994**
Loss for the financial year	-	-	(5,607)	(5,607)
At 31 December 2014	**5,500**	**41,276**	**(48,389)**	**(1,613)**

14. 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 Istithmar Building FZE.

15. Ultimate parent undertaking

The immediate parent undertaking is Leisurecorp Scotland Holdings FZE, a company incorporated in the United Arab Emirates.

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Istithmar Building FZE, a company incorporated in the United Arab Emirates

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

Copies of the financial statements of both companies can be obtained from Istithmar Building FZE, The Galleries, Downtown Jebil Ali, PO Box 17000, Dubai, United Arab Emirates.