

ALGARVE GOLF COURSES LIMITED
DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS
YEAR ENDED 31 DECEMBER 2010

Company registration number 3116514



ALGARVE GOLF COURSES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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ALGARVE GOLF COURSES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
DIRECTORS AND OTHER INFORMATION

Directors: Denis O'Brien Snr
Georgina Keane
John Ryall

Secretary: Glovers Secretaries Limited
6 York Street
London
W1U 6QD

Registered Office: 6 York Street
London
W1U 6QD

Registered Number: 3116514

Independent auditor: Reeves & Co
Third Floor
24 Chiswell Street
London
EC1Y 4YX

Solicitors: Glovers Solicitors
6 York Street
London
W1U 6QD

Bankers: Anglo Irish Bank plc
Stephen Court
18/21 St Stephen's Green
Dublin 2

ALGARVE GOLF COURSES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
DIRECTORS' REPORT

The directors present their annual report and audited consolidated financial statements for the year ended 31 December 2010

1. Principal activity and future developments

Algarve Golf Courses Limited (the "Company") is principally engaged as a holding company for its wholly owned Portuguese incorporated subsidiary Sociedade do Golf da Quinta do Lago S A , (together "the Group"), which operates golf courses in Portugal. The Company did not trade during the year but is continuing with its capital investment programme in 2011 to upgrade the existing facilities. The subsidiary continues to operate golf courses and related activities such as club houses and restaurants.

2. Results and dividends

The Company did not make a profit as there was no trading (2009 £nil). The Group made a profit £495,151 during the year ended 31 December 2010 (2009 £386,998).

No dividends were paid during the year (2009 £nil).

3 Key Performance Indicators

The Group measures and monitors operations by using Key Performance Indicators (KPIs).

The KPIs are Revenue, EBITDA, Cash flow and Debtors days.

The turnover for the year of 2010 was £7.5m. This represents a reduction of 3% on previous year and a reduction of 20% compared to budget, as the Food & Beverage profit centres did not reach expectations. This reduction is predominately a reflection of the global economic recession. However, with the implementation of cost reduction measures, the EBITDA showed an increase of 14% on the previous year. The cash on hand also showed an increase of £191,248 on 2009.

4. Principal Risks and Uncertainties

(a) Credit Risk

The Group takes on exposure to credit risk, which is the risk that its customers will cause a financial loss for the Group by failing to discharge their contractual obligations. Management carefully manages its exposure to credit risk. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties.

(b) Liquidity Risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

(c) Currency Risk

The Group is exposed to foreign exchange risk arising from currency exposures in respect of the Euro. The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions.

ALGARVE GOLF COURSES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
DIRECTORS' REPORT (continued)

3. Directors and their interests

The directors of the Company during the year were as follows

Directors
D O'Brien Snr
G Keane
J Ryall

Company Secretary
Glovers Secretaries Limited

According to the Register of Directors' Interests, no director held any direct interest in the shares of the Company

5. Independent auditors

In accordance with Section 487 of the Companies Act 2006, Reeves & Co LLP was appointed as independent auditor of the Company

6. Employees

The Company has no employees The Group has 169 employees

7 Political and charitable contributions

The Company made no political donations or incurred any political expenditure during the year The Group made charitable donations of £43,735 to Louletano Desportos Clube (football club), £875 to ACCA Association (charity) and £1,312 to Front Line (charity) during the year ended 31 December 2010 (2009 £1,338)

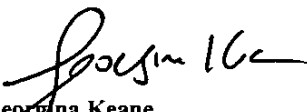
8. Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

9. Post balance sheet events

There are no post balance sheet events requiring disclosure

For and on behalf of the Board


Georgina Keane
Director
6 York Street
London W1U 6QD

Date:

27th October 2011

ALGARVE GOLF COURSES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

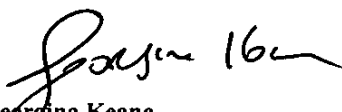
The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss for that period

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, and
- 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

For and on behalf of the Board


Georgina Keane
Director
6 York Street
London W1U 6QD

Date: 27th October 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALGARVE GOLF COURSES LIMITED

We have audited the financial statements of Algarve Golf Courses Limited for the year ended 31 December 2010 which comprise the consolidated profit and loss account, consolidated and company balance sheets, consolidated cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 statement of directors' responsibilities, 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 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

In our opinion the financial statements

- give a true and fair view of the state of the Group and Company's affairs as at 31 December 2010 and of the Group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Accounting Standards (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

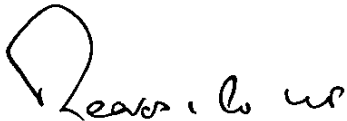
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ALGARVE GOLF COURSES LIMITED (continued)**

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



James O'Brien FCA (Senior Statutory Auditor)
For and on behalf of
Reeves & Co LLP

Chartered Accountants and Statutory Auditors

22 October 2011

Third Floor
24 Chiswell Street
London
EC1Y 4YX

ALGARVE GOLF COURSES LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2010

	Notes	Year Ended 31 December 2010 GBP£	Year Ended 31 December 2009 GBP£
Group turnover		7,581,671	7,846,096
Change in stocks of finished goods		(247,299)	(254,495)
Other operating income		94,372	98,711
Raw materials and consumables		(569,167)	(506,480)
Other external charges		(1,818,703)	(2,328,412)
Staff costs	4	(2,992,849)	(3,249,464)
Depreciation		(1,224,115)	(823,807)
Other operating charges		<u>(74,295)</u>	<u>(99,721)</u>
Group operating profit		749,615	682,428
Loss on sale of fixed assets		(1,749)	(143,688)
Other interest receivable and similar income	5	53,563	67,373
Interest payable and similar charges	6	<u>(94,250)</u>	<u>(67,538)</u>
Profit on ordinary activities before taxation	2	<u>707,179</u>	<u>538,575</u>
Tax on profit on ordinary activities	7	<u>(212,028)</u>	<u>(151,577)</u>
Profit for the financial year		<u><u>495,151</u></u>	<u><u>386,998</u></u>

All items in the profit and loss account are derived from continuing operations

There is no difference between the above details and that arising on an historical cost basis. Accordingly, no note of historical cost profit and losses has been prepared.

The notes on pages 12 - 19 form an integral part of these financial statements.

ALGARVE GOLF COURSES LIMITED
CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31ST DECEMBER 2010

	Notes	Year Ended 31 December 2010 GBP£	Year Ended 31 December 2009 GBP£
Gain for the financial year		495,151	386,998
Exchange adjustment		<u>(363,509)</u>	<u>(563,527)</u>
Total recognised gains and losses for the year		<u><u>141,853</u></u>	<u><u>(176,529)</u></u>


The notes on pages 12 - 19 form an integral part of these financial statements

ALGARVE GOLF COURSES LIMITED
COMPANY REGISTRATION NUMBER: 3116514
CONSOLIDATED BALANCE SHEET
AT 31ST DECEMBER 2010

	Notes	31 December 2010		31 December 2009	
		GBP£	GBP£	GBP£	GBP£
Fixed assets					
Intangible assets	8		160,219		202,488
Tangible assets	9		8,548,500		7,456,523
			<u>8,708,719</u>		<u>7,659,011</u>
Current assets					
Stocks	11	321,623		306,226	
Debtors	12	546,264		1,883,660	
Cash at bank and in hand		<u>1,696,790</u>		<u>1,505,542</u>	
		<u>2,564,677</u>		<u>3,695,428</u>	
Creditors , amounts falling due within one year	13		<u>(1,396,227)</u>		<u>(1,606,912)</u>
Net current assets			<u>1,168,450</u>		<u>2,088,516</u>
Total assets less current liabilities			<u>9,877,169</u>		<u>9,747,527</u>
Net assets			<u>9,877,169</u>		<u>9,747,527</u>
Capital and reserves					
Called up share capital	14		2		2
Profit and loss account					
Profit brought forward		9,382,016		9,360,527	
Current year net profit		<u>495,151</u>	<u>9,877,167</u>	<u>386,998</u>	<u>9,747,525</u>
Equity			<u>9,877,169</u>		<u>9,747,527</u>

The notes on pages 12 - 19 form an integral part of these financial statements

These financial statements were approved by the Board of Directors on the 27th October 2011 and were signed on its behalf by



Georgina Keane
 Director

Date: 27th October 2011

ALGARVE GOLF COURSES LIMITED
COMPANY BALANCE SHEET
AT 31ST DECEMBER 2010

	Notes	31 December 2010 GBP£	31 December 2009 GBP£
Fixed assets			
Investments	10	7,274,021	7,274,021
		<u> </u>	<u> </u>
Net assets		<u>7,274,021</u>	<u>7,274,021</u>
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		7,274,019	7,274,019
		<u> </u>	<u> </u>
Equity		<u>7,274,021</u>	<u>7,274,021</u>

These financial statements were approved by the Board of Directors on the 27th October 2011 and were signed on its behalf by


Georgina Keane
Director

Date: 27th October 2011

The notes on pages 12 - 19 form an integral part of these financial statements

ALGARVE GOLF COURSES LIMITED
CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2010

	Notes	Year ended		Year ended	
		31 December 2010		31 December 2009	
		GBP£	GBP£	GBP£	GBP£
Net cash inflow/(outflow) from operating activities	15		2,010,793		1,793,875
Returns on investments and servicing of finance					
Interest and similar income received			35,255		58,838
Interest and similar income paid			(10,243)		(28,410)
Net cash (outflow) from returns on investments and servicing of finance			25,012		30,428
Taxation paid			4,926		(381,059)
Capital expenditure and financial investment					
Purchase of tangible fixed assets			(1,773,240)		(1,511,369)
Proceeds from sale of tangible fixed assets			2,012		-
Net cash inflow from capital expenditure and financial investment			(1,771,228)		(1,511,369)
Net cash inflow/(outflow) before financing			269,503		(68,126)
Financing					
Capital element of finance lease payments			-		(616,319)
Net cash (outflow) from financing			-		(616,319)
Exchange adjustments			(78,258)		(186,969)
Increase/(decrease) in cash			191,245		(871,414)

The notes on pages 12 - 19 form an integral part of these financial statements

ALGARVE GOLF COURSES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
NOTES TO THE ACCOUNTS

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of Preparation

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

Basis of consolidation

The Group financial statements include the financial statements of the holding company and its subsidiary undertakings and associated undertakings made up to 31 December 2010. All significant intercompany balances and transactions have been eliminated.

The results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost.

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably.

Concessions, patents, licences and trademarks purchased by the Company are amortised to nil by equal annual instalments over their useful economic lives. The Group currently amortises intangible assets over 20 years.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Office buildings	-	2%
Industrial buildings	-	5%
Machinery, equipment and office equipment	-	12.5% - 25%
Computers and software	-	33.3%
Cars (subject to a limit)	-	25%

No depreciation is provided on freehold land.

Foreign currency translation

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

ALGARVE GOLF COURSES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
NOTES TO THE ACCOUNTS (continued)

1 Accounting policies (continued)

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover consists of revenue from the sale of merchandise and provision of services. Turnover is recognised on an accruals basis.

Cash

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Dividends

Revenue from distributions from controlled entities is recognised in the Profit and Loss Account by the Company when they are declared by the controlled entities.

2. Profit on ordinary activities before taxation

	Year Ended 31 December 2010 GBP£	Year Ended 31 December 2009 GBP£
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Depreciation and other amounts written off tangible and intangible fixed assets	1,224,115	823,807

Audit and other professional fees of £6,620 (2009 £6,000) are borne by Murryhill Holdings Limited, a related entity by way of common ownership.

ALGARVE GOLF COURSES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
NOTES TO THE ACCOUNTS (continued)

3. Remuneration of directors

No director received any emoluments for services to the Company during the year (2009 £nil)

4 Staff numbers and costs

	Number of employees	
	Group 2010	Group 2009
The average number of persons employed by the Group (including directors) during the year was as follows	169	169

The aggregate payroll costs of these persons were as follows

	Group 2010 GBP£	Group 2009 GBP£
Salaries	1,610,228	1,832,553
Social security costs	703,688	767,485
Other staff costs	678,933	649,426
	2,992,849	3,249,464

5. Other interest receivable and similar income

	Group 2010 GBP£	Group 2009 GBP£
Interest earned	53,563	65,849
Exchange gains	-	611
Other	-	913
	53,563	67,373

6. Interest payable and similar charges

	Group 2010 GBP£	Group 2009 GBP£
Interest paid	5,008	22,198
Exchange losses	-	728
Other	89,242	44,612
	94,250	67,538

ALGARVE GOLF COURSES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
NOTES TO THE ACCOUNTS (continued)

7. Taxation

	2010 GBP£	2009 GBP£
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
<i>Foreign tax</i>		
Current tax on income for the period	212,028	151,577
Adjustments in respect of prior periods	-	-
Total current tax	<u>212,028</u>	<u>151,577</u>

8. Intangible fixed assets

Group	Installation Expenses GBP£	Brand and Warrants GBP£	Total GBP£
<i>Cost</i>			
At beginning of year	48,554	673,377	721,931
Additions in year	-	-	-
Disposals	-	-	-
Exchange in year	-	(32,501)	(32,501)
At end of year	<u>48,554</u>	<u>640,876</u>	<u>689,430</u>
<i>Amortisation</i>			
At beginning of year	48,079	471,364	591,443
Amortisation in year	475	32,723	33,198
Exchange in year	-	(23,430)	(23,430)
At end of year	<u>48,554</u>	<u>480,657</u>	<u>529,211</u>
<i>Net book value</i>			
At 31 December 2010	<u>-</u>	<u>160,219</u>	<u>160,219</u>
At 31 December 2009	475	202,013	202,488

ALGARVE GOLF COURSES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
NOTES TO THE ACCOUNTS (continued)

9. Tangible fixed assets

Group	Land & Buildings GBP£	Plant & Machinery GBP£	Vehicles GBP£	Other GBP£	Total GBP£
<i>Cost</i>					
At beginning of year UK GAAP	6,459,341	7,454,315	530,217	1,618,147	16,062,020
Reclassification*	1,354,785	-	-	-	1,354,785
Additions in year	70,859	90,030	50,266	1,262,643	1,473,798
Disposals	-	-	(14,162)	-	(14,162)
Transfers	677,484	197,513	-	(874,997)	-
Exchange in year	(211,691)	(269,980)	(26,341)	(86,142)	(594,154)
At end of year	<u>8,350,778</u>	<u>7,471,878</u>	<u>539,980</u>	<u>1,919,651</u>	<u>18,282,287</u>
<i>Depreciation</i>					
At beginning of year UK GAAP	2,469,497	5,043,802	353,311	738,887	8,605,497
Reclassification*	270,958	-	-	-	270,958
Depreciation in year	511,732	536,838	65,230	77,594	1,191,394
Disposals	-	-	(12,413)	-	(12,413)
Exchange in year	(107,424)	(158,804)	(18,148)	(37,272)	(321,648)
At end of year	<u>3,144,763</u>	<u>5,421,836</u>	<u>387,980</u>	<u>779,209</u>	<u>9,733,787</u>
<i>Net book value</i>					
At 31 December 2010	<u>5,206,015</u>	<u>2,050,042</u>	<u>152,000</u>	<u>1,140,442</u>	<u>8,548,500</u>
At 31 December 2009	<u>3,989,844</u>	<u>2,410,513</u>	<u>176,906</u>	<u>879,260</u>	<u>7,456,523</u>

*Deferred costs relating to the development and maintenance of Laranjal Golf Course have been reclassified from current assets to tangible fixed assets in 2010 and depreciated over 5 years. This change in accounting policy has been applied in the current year without modification of the financial statement's comparative values.

10. Investments in subsidiary undertakings

Company	2010 GBP£	2009 GBP£
<i>Cost</i>		
At the beginning of year	7,274,021	7,274,021
Additions in year	-	-
Disposals	-	-
At end of year	<u>7,274,021</u>	<u>7,274,021</u>

Algarve Golf Courses Limited has one 100% owned subsidiary, Sociedade do Golfe da Quinta do Lago, SA, which is incorporated in Portugal.

ALGARVE GOLF COURSES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
NOTES TO THE ACCOUNTS (continued)

11. Stocks

	Group 2010 GBP£	Group 2009 GBP£
Raw materials	228,885	84,989
Goods	<u>92,738</u>	<u>221,237</u>
	<u>321,623</u>	<u>306,226</u>

The estimated replacement costs are considered in line with above amounts

12. Debtors

	Group 2010 GBP£	Group 2009 GBP£
Trade debtors	117,980	173,218
Governments and public entities	4,187	124,979
Other debtors	365,088	384,187
Accrued income and deferred costs	<u>59,010</u>	<u>1,201,276</u>
	<u>546,265</u>	<u>1,883,660</u>

All debtors are due within one year

13 Creditors: amounts falling due within one year

	Group 2010 GBP£	Group 2009 GBP£
Trade creditors	260,202	283,912
Payments received on account	62,478	87,382
State and public authorities	185,628	95,678
Other creditors	789,604	717,371
Accruals and deferred income	<u>98,315</u>	<u>422,569</u>
	<u>1,396,227</u>	<u>1,606,912</u>

14. Called up share capital

Company	2010 GBP£	2009 GBP£
<i>Authorised</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

ALGARVE GOLF COURSES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
NOTES TO THE ACCOUNTS (continued)

15. Net cash inflow/(outflow) from operating activities

	Group 2010 GBP£	Group 2009 GBP£
Trade receipts	8,424,991	8,430,115
Trade payments	(3,201,349)	(3,302,982)
Staff payments	(2,914,648)	(3,175,021)
Other operating receipts and payments	<u>(298,201)</u>	<u>(158,237)</u>
Net cash inflow/(outflow) from operating activities	<u>2,010,793</u>	<u>1,793,875</u>

16 Reconciliation of movement in profit and loss account

	Group 2010 GBP£	Group 2009 GBP£
Profit and loss account at beginning of year	9,747,525	9,924,054
Profit for the financial year	495,151	386,998
Exchange adjustment	<u>(365,509)</u>	<u>(563,527)</u>
Profit and loss account at end of year	<u>9,877,167</u>	<u>9,747,525</u>

The Company did not make a profit or loss during the year ended 31 December 2010 (2009 £nil) as there was no trading

17 Reconciliation of net cash flow to movement in net cash/(debt)

	Group 2010 GBP£	Group 2009 GBP£
Increase/(decrease) in cash in the year	191,245	(847,414)
Cash (inflow)/outflow from (increase)/decrease in debt & lease financing	<u>413,856</u>	<u>609,153</u>
Change in net debt resulting from cash flows	<u>605,101</u>	<u>(262,261)</u>
Movement in net cash/(debt) in the year	605,101	(262,261)
Net cash at the beginning of the year	<u>947,202</u>	<u>1,209,463</u>
Net (debt) at the end of the year	<u>1,552,203</u>	<u>947,202</u>

18. Related party transactions

Other than those transactions disclosed in Note 2, there were no related party transactions during the year ended 31 December 2010 (2009 £nil)

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NOTES TO THE ACCOUNTS (continued)

19 Ultimate parent and controlling undertaking

The ultimate parent and controlling undertaking is Distell Limited, a company registered and incorporated in the Isle of Man. As Distell Limited is established under the law of a country outside the UK, the information on the availability of its group accounts need not be given. No other group financial statements include the results of the Company.

20. Subsequent events

There were no subsequent events requiring disclosure.

21. Contingent Liabilities

The directors are not aware of any material liabilities that have not been fully provided for or disclosed in these financial statements.

22. Approval of the Financial Statements

The financial statements were approved by the board of directors on the 27th October 2011.