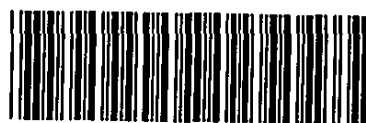


RHI LEISURE LLP

Members' report &
Financial statements
for the year ended

31st December 2012

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COMPANIES HOUSE

RHI LEISURE LLP

Company Information

Registration Number	0C314521
Members	International Tourism Holdings Limited Odyssey Resort Group Limited
Registered Office	7 Durweston Street London England
Auditors	Crowe Morgan Chartered Accountants 8 St George's Street Douglas Isle of Man IM1 1AH

RHI LEISURE LLP

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Members' Information For the year ended 31st December 2012

Purpose	The purpose of the LLP is to carry on the business of owning, operating and managing a points-based leisure scheme
The LLP	The LLP was formed under a Limited Liability Partnership agreement dated 2 nd August 2005 and is registered under the Limited Partnership Act 2000
Principal place of Business	Isle of Man
Administrators	First Names (Isle of Man) Limited International House Castle Hill Victoria Road Douglas Isle of Man IM2 4RB
Independent Auditors	Crowe Morgan Chartered Accountants 8 St George's Street Douglas Isle of Man IM1 1AH
Manager	International Tourism Holdings Limited



General Members' report For the year ended 31st December 2012

The Members present their report and the audited financial statements of the LLP for the year ended 31st December 2012

Incorporation

RHI Leisure LLP "the LLP" was incorporated under the Limited Liability Partnership Act 2000 on 2nd August 2005

Members

The designated members during the year are as follows

International Tourism Holdings Limited
Odyssey Resort Group Limited

Statement of Members' Responsibilities in respect of the financial statements

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law regulations

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the members to prepare group financial statements for each financial year. Under that law the members have elected to prepare the group financial statements in accordance with IFRS as adopted by the EU and applicable law. Under Regulation 8 of the 2008 Regulations the members 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 group and of the profit or loss of the group for that period.

In preparing those financial statements the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

Under Regulation 6 of the 2008 Regulations the members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time its financial position and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Principal Activity

The principal activity of the LLP is to carry on the business of owning, operating and managing a points-based leisure scheme.

Foreign exchange risk

The LLP is exposed to movement in foreign exchange rates as a result of transactions entered into by its subsidiaries. However, the members do not consider that the LLP is exposed to significant foreign exchange risk. Should the need arise the members will consider the need to protect the LLP's exposure by using the most cost efficient method available to the LLP to minimise the risk and cost to the LLP.

General Members' report For the year ended 31st December 2012

Members' drawings and the subscription and repayment of members' capital

The members participate fully in the LLP's profits, share the risks and subscribe to the LLP's capital profit or loss allocations as disclosed in note 13

Members are permitted to receive drawings from the LLP to the extent of the profits allocated to them. The timing and amount of those drawings depends upon the level of activity within the LLP and the overriding cash requirements of the business.

An individual member's capital requirement is linked to the financial statements of the LLP. No interest is due on capital accounts.

Members' subscriptions and introduction of capital are disclosed in the Statement of Equity on page 10.

Review of business and future developments

The managing member considers the financial position as at 31st December 2012 and the future outlook to be satisfactory.

Provision of Information to Auditors

Each of the persons who are members at the time when the report is approved has confirmed that

- so far as the member is aware, there is no relevant audit information of which the limited liability partnership's auditors are unaware, and
- each of the members have taken all the steps that they ought to have taken as a member to be aware of any information needed by the LLP's auditors in connection with preparing their report and to establish that the auditors are aware of that information.

Auditors

The auditors, Crowe Morgan Chartered Accountants, have indicated their willingness to continue in office and offer themselves for re-appointment. A resolution proposing their re-appointment will be presented at a meeting of the members.

This report was approved by the members on *25th September 2013* and signed on their behalf by


Director
For and on behalf of
International Tourism Holdings Limited
Designated Member

Independent Auditors' report to the Members of RHI Leisure LLP

We have audited the financial statements of RHI Leisure LLP for the year ended 31st December 2012 which comprises the consolidated Statement of Comprehensive income, the consolidated Statement of Financial Position, the Statement of Financial Position, the consolidated Statement of Changes in Equity, the consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As more fully explained in the Members' Responsibilities Statement set out on page 2, the members 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). 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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the General Members' Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent limited liability partnership's affairs as at 31st December 2012 and of the group's loss for the year then ended,
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008)

**Independent Auditors' report to the
Members of RHI Leisure LLP**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit

8 St George's Street
Douglas,
Isle of Man,
IM1 1AH

Date

27th September 2013



J B McCarney
Senior Statutory Auditor
For and on behalf of
Crowe Morgan Chartered Accountants
Statutory Auditors

Consolidated statement of comprehensive income
For the year ended 31st December 2012

	Note	2012 US\$	2011 US\$
CONTINUING OPERATIONS			
Revenue	1(h)	53,037,286	56,636,052
Administrative expenses		(53,468,551)	(57,238,464)
OPERATING PROFIT		(431,265)	(602,412)
Interest expenses		(456,188)	(551,414)
Interest income		314,770	689,523
Other expenses		(1,124,101)	(2,028,227)
(Loss)/profit for the year from continuing operations before taxation		(1,696,784)	(2,492,530)
Taxation	3	4,874	(3,308)
(Loss)/profit for the year from continuing operations after taxation		(1,691,910)	(2,495,838)
Attributable to:			
Equity holders of the parent		(1,131,045)	(1,724,152)
Minority interest in consolidated subsidiary	19	(560,865)	(771,686)
		(1,691,910)	(2,495,838)

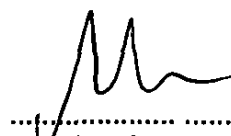
The notes on pages 12 to 21 form part of these financial statements

Consolidated statement of financial position
As at 31st December 2012

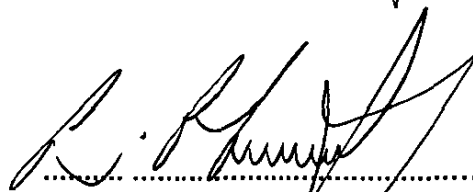
	Note	2012 US\$	2011 US\$
Assets			
Non-current assets			
Property, plant and equipment	4	5,240,936	5,788,559
Investments in associates	6	39,398,950	40,984,452
Total non-current assets		44,639,886	46,773,011
Current assets			
Trade and other receivables	7	35,415,905	27,785,684
Loans receivable from related parties	9	33,167,336	23,249,066
Occupation rights (net)	1(d)	23,348,637	23,395,805
Other assets	8	2,327,204	1,778,454
Cash and cash equivalents	1(f)	2,283,967	7,755,174
Total current assets		96,543,049	83,964,183
Total assets		141,182,935	130,737,194
Equity and liabilities			
Capital and reserves			
Members capital		46,716,321	46,716,321
Reserves		11,907,388	13,009,240
Equity attributable to equity holders of the parent		58,623,709	59,725,561
Minority interest	19	5,321,958	5,882,823
Total equity		63,945,667	65,608,384
Non-current liabilities			
Long term loans		-	-
Total non-current liabilities		-	-
Current liabilities			
Trade and other payables	10	6,782,112	6,281,580
Loans payable to related parties	9	20,381,553	20,391,492
Other current liabilities	11	50,073,603	38,455,738
Total current liabilities		77,237,268	65,128,810
Total liabilities		77,237,268	65,128,810
Total equity and liabilities		141,182,935	130,737,194

**Consolidated statement of financial position
As at 31st December 2012 (Continued)**

The financial statements were approved by the Members on *25th September 2013*
and signed on their behalf by:



.....
Charles Gary Hepburn
Director for and on behalf of
International Tourism Holdings Limited
Designated Member



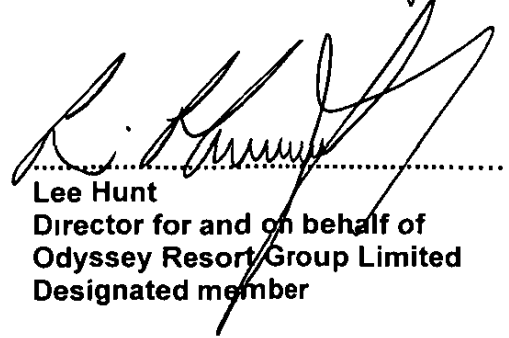
.....
Lee Hunt
Director for and on behalf of
Odyssey Resort Group Limited
Designated member

Statement of financial position
As at 31st December 2012

	Note	2012 US\$	2011 US\$
Assets			
Non-current assets			
Investment in subsidiaries	5	41,374,139	37,443,047
Loans receivable from subsidiary investment		1,408	1,408
Total non-current assets		41,375,547	37,444,455
Current assets			
Cash and cash equivalents		(400)	50,844
Total assets		41,375,147	37,495,299
Equity and liabilities			
Capital and reserves			
Members capital		46,716,321	46,716,321
Reserves		(6,446,313)	(10,154,038)
Total equity		40,270,008	36,562,283
Current liabilities			
Trade and other payables	10	134,752	82,235
Loans payable to subsidiary investments		970,387	850,781
Total current liabilities		1,105,139	933,016
Total liabilities		1,105,139	933,016
Total equity and liabilities		41,375,147	37,495,299

The financial statements were approved by the Members on
and signed on their behalf by:


.....
Charles Gary Hepburn
Director for and on behalf of
International Tourism Holdings Limited
Designated Member

25th September 2013

.....
Lee Hunt
Director for and on behalf of
Odyssey Resort Group Limited
Designated member

Consolidated statement of changes in equity
For the year ended 31st December 2012

	Members Capital US\$	Reserves US\$	Total US\$	Minority Interest US\$	Total Equity US\$
Balance at 31 st December 2008	46,716,321	14,238,286	60,954,607	6,814,610	67,769,217
<i>Changes in Equity for 2009</i>					
Foreign currency translation differences	-	541	541	-	541
Loss for the year	-	(3,466,661)	(3,466,661)	(1,368,127)	(4,834,798)
Balance at 31 st December 2009	46,716,321	10,772,167	57,488,488	5,446,473	62,934,961
<i>Changes in Equity for 2010</i>					
Foreign currency translation differences	-	(30,308)	(30,308)	-	(30,308)
Profit for the year	-	3,994,468	3,994,468	1,796,696	5,791,164
Dividends paid	-	-	-	(588,660)	(588,660)
Balance at 31 st December 2010	46,716,321	14,736,327	61,452,648	6,654,509	68,107,157
<i>Changes in equity for 2011</i>					
Foreign currency translation differences	-	(2,935)	(2,935)	-	(2,935)
Loss for the year	-	(1,724,152)	(1,724,152)	(771,686)	(2,495,838)
Balance at 31 st December 2011	46,716,321	13,009,240	59,725,561	5,882,823	65,608,384
<i>Changes in equity for 2012</i>					
Foreign currency translation Differences	-	29,193	29,193	-	29,193
Loss for the year	-	(1,131,045)	(1,131,045)	(560,865)	(1,691,910)
Balance at 31 st December 2012	46,716,321	11,907,388	58,623,709	5,321,958	63,945,667

The notes on pages 12 to 21 form part of these financial statements

Consolidated statement of cash flows
For the year ended 31st December 2012

	Note	2012 US\$	2011 US\$
Cash flows from operating activities			
Group profit/(loss) from operations		(1,691,910)	(2,495,838)
Adjustments for			
Depreciation – property, plant and equipment		870,178	1,227,590
Equity income of associated company		1,585,502	4,475,041
Interest revenue		(314,770)	(689,523)
Interest expenses		456,188	551,414
Taxation expense		(4,874)	3,308
Operating cash flows before movements in working capital		900,314	
Decrease/(Increase) in trade and other receivables	7	(7,630,221)	(2,087,333)
Decrease/(Increase) in occupational rights		47,168	868,265
(Increase)/decrease in other assets	8	(548,750)	265,409
Increase/(decrease) in trade and other payables	10	500,532	(2,180,473)
(Decrease)/increase in deferred revenues	11	11,848,078	437,750
(Decrease)/increase in amounts due from related parties	9	(9,928,209)	(4,725,710)
Cash used in operations		(4,811,088)	(4,350,100)
Interest paid		(456,188)	(551,414)
Taxation paid		4,874	(3,308)
Net cash used in operating activities		(5,262,402)	(4,904,822)
Cash flows from Investment activities			
Interest received		314,770	689,523
Payments to acquire property, plant and equipment		(375,923)	(282,360)
Dividends paid		-	-
Proceeds from disposal of property, plant and equipment		53,368	803,648
Net cash generated by/ (used in) investing activities		(7,785)	1,210,811
Cash flows from financing activities			
Repayment of borrowings	12	(230,213)	(1,584,540)
Proceeds from borrowings	12	-	-
Net cash (used in)/ generated by financing activities		(230,213)	(1,584,540)
Net decrease in cash and cash equivalents		(5,494,146)	(5,278,551)
Cash and cash equivalents at the beginning of the year		7,755,174	13,036,662
Net foreign exchange difference		29,193	(2,937)
Cash and cash equivalents at the end of the year	1(f)	2,283,967	7,755,174

The notes on pages 12 to 21 form part of these financial statements

Notes to the financial statements

For the year ended 31st December 2012

1. Accounting policies

a) Basis of preparation of financial statements

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

The consolidated financial statements for RHI Leisure LLP are prepared under International Financial Reporting Standards ("IFRS") The majority of the subsidiaries of RHI Leisure LLP have prepared their accounts in conformity with United States of America ("US GAAP") Any difference in the treatment of items in the consolidated financial statements of RHI Leisure LLP as a result of the use of IFRS instead of US GAAP has been recorded in the notes to these accounts

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the LLP and its significant direct and indirect subsidiaries made up to 31st December each year A company is a subsidiary if the LLP directly or indirectly controls the financial and operating policies of the respective enterprise

All significant inter-company transactions and balances between group companies are eliminated on consolidation

c) Property, plant and equipment - depreciation

Property, plant and equipment are stated at acquisition cost less depreciation and any provision for impairment Depreciation is computed using the straight line method based on an estimated useful life of the related asset The periods generally applicable are

	Average useful life
Building	10 years
Leasehold Improvements	10 years
Building Improvements	5 – 10 years
Furniture and Fixtures	7 years
Computer Equipment	5 years
Vehicles	3 years

Worldwide Tourism Services N V departed from the Group policy and computed depreciation on vehicles over an estimated useful life of 4 years

Vacation Services International Limited departed from the Group policy and computed depreciation on buildings over an estimated useful life of 20 years

d) Occupational Rights

The occupation rights are registered in accordance with their book value at the assignment date The amortisation of the occupation rights is registered in accordance with the duration of the agreements made with the resorts for the weekly units, which usually is at 30 years

e) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date Paid in capital is translated from the local currency using historical rates The average exchange rate for the period is used for translating revenues and expenses All exchange differences are dealt with in the consolidated statement of changes in equity



Notes to the financial statements
For the year ended 31st December 2012

1. Accounting policies (continued)**f) Cash Equivalents**

The Group considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents

g) Impairment of assets

The carrying value of assets is reviewed annually to assess whether there is any indication of impairment. An impairment loss is recognised in the income statement whenever the recoverable amount or fair value of an asset is less than its carrying amount

h) Revenue Recognition

Holiday Club Management Company Limited – The Company recognises its revenue from sales of memberships according to the length of the term of the membership for thirty years, based on the contractual terms

The Company recognises a deferred liability for maintenance payments when received from members, which are normally paid in advance during the last quarter of the previous year of usage. The related revenue is recognised during the following year when the membership is used and the service is provided to the customer

Resort Interval Inc - The Company recognises membership sales net of related membership costs when the customer has made a 15% down payment and the period during which the customer may obtain a refund for the cancellation of the membership (usually 7 days subsequent to the receipt of the 15% down payment) has expired

Worldwide Tourism Services – Revenues are recognised when the services are performed or contractual obligations are met

Vacation Services International Ltd – The Company recognises revenues when the costs of maintenance of intervals are transferred to its related party

i) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments

j) Minority Interests

Minority interests are attributable to Central Holdings Limited and a subsidiary of Resort Interval Inc at 31st December 2012. The minority interests at 31st December 2012 are shown in Note 19 to the financial statements

Notes to the financial statements
For the year ended 31st December 2012

1. Accounting policies (continued)

k) Income Tax

The subsidiaries located in the Cayman Islands are not subject to income tax as revenues are not taxable in the Cayman Islands

Resort Interval Inc is located in Panama, however, Panamanian tax law indicates that companies incorporated in Panama but which earn revenues in foreign countries, do not incur income tax. Accordingly, Resort Interval Inc is not subject to any income tax. However, its subsidiaries in the Dominican Republic, Puerto Rico and Chile are subject to local income tax.

l) Deferred Income Taxes

The Group recognises deferred income tax assets and liabilities for the future consequences of temporary differences between the financial statement carrying amounts of assets and liabilities and their respective income tax bases, measured using enacted rates. The effects of changes in the statutory rates are accounted for in the period that includes the enactment date. Deferred income tax assets are also recognised for the estimated future effects of tax loss carry forwards and asset tax credit carry forwards. A valuation allowance is applied to reduce deferred income tax assets to the amount of future net benefit that is more likely than not to be realised.

m) Marketable Securities

Marketable securities represent highly liquid equity instruments purchased with a remaining maturity date at purchase of between 90 and 360 days and are stated at fair value. Such securities are classified as trading securities, as the Company's intent is to sell them in the near term. Unrealised holding gains and losses are included within earnings in the year incurred.

2. Operating Profit

	2012	2011
	\$	\$
The operating profit is stated after charging -		
Auditors' remuneration	<u>18,576</u>	<u>29,341</u>

3. Taxation

The balances included under the consolidated income statement and consolidated statement of financial position relate to group companies which are subject to a variety of local taxes.

The LLP, however, is not subject to income tax. Each member is exclusively liable for any tax liabilities arising out of their interest in the LLP, which will be assessed on the individual members and not the LLP itself.

Notes to the financial statements
For the year ended 31st December 2012

4. Property, plant and equipment

	Land and Buildings US\$	Leasehold Improvements US\$	Fixings & Fittings US\$	Vehicles US\$	Computer Equipment US\$	Total US\$
Cost						
1 st January 2012	5,121,513	1,391,487	4,182,465	98,608	203,886	10,997,959
Additions	-	39,891	222,291	35,465	78,276	375,923
Transfers	(107,323)	(7,178)	78,876	-	(7,924)	(43,549)
Disposal	-	-	(6,265)	-	(3,554)	(9,819)
31 st December 2012	<u>5,014,190</u>	<u>1,424,200</u>	<u>4,477,367</u>	<u>134,073</u>	<u>270,684</u>	<u>11,320,514</u>
Depreciation						
At 1st January 2012	2,194,956	657,990	2,126,208	97,731	138,515	5,209,400
Charge for the year	355,965	92,471	433,433	3,656	15,397	900,922
On disposal	-	(22,858)	(7,886)	-	-	(30,744)
Transfers	-	-	-	-	-	-
31 st December 2012	<u>2,550,921</u>	<u>721,603</u>	<u>2,551,775</u>	<u>101,387</u>	<u>153,912</u>	<u>6,079,578</u>
Net book value						
31 st December 2012	<u>2,463,269</u>	<u>702,597</u>	<u>1,925,612</u>	<u>32,686</u>	<u>116,772</u>	<u>5,240,936</u>
Net book value						
31 st December 2011	<u>2,926,557</u>	<u>739,497</u>	<u>2,056,257</u>	<u>877</u>	<u>65,371</u>	<u>5,788,559</u>

The LLP has no property, plant or equipment

5. Investments in subsidiary companies

	Brought forward US\$	Impairment of Investment US\$	(Provision) /release for liability US\$	Carried forward US\$
Central Holdings Limited	22,341,698	-	-	22,341,698
Holiday Club Management Company Ltd	(9,985,385)	-	5,420,319	(4,565,066)
Resort Interval Inc	479,797	(479,786)	(1,012,216)	(1,021,215)
Interval Financial Ltd	22,486,925	-	-	22,486,925
Royal Holiday Club A G	524,768	-	-	524,768
Vacation Services International Limited	2,301,000	-	-	2,301,000
Worldwide Tourism Services N V	705,746	-	2,775	(702,971)
Balance as at 31st December 2012	37,443,047	(479,786)	4,410,878	41,374,139

See note 18 for further details regarding the impairment of the investment and the provision and reversal for liabilities of the subsidiaries

Notes to the financial statements

For the year ended 31st December 2012

5. Investments in subsidiary companies (continued)

	Company		Class	% Owned	Country of Incorporation	Status
(i)	Central Holdings Limited	US\$1	Ord Shares	83.54%	Cayman Islands	Unlisted
(ii)	Holiday Club Management Company Ltd	US\$1	Ord Shares	100%	Cayman Islands	Unlisted
(iii)	Resort Interval Inc	US\$1	Ord Shares	100%	Panama	Unlisted
(iv)	Interval Financial Ltd	US\$1	Ord Shares	100%	Cayman Islands	Unlisted
(v)	Royal Holiday Club A G	CHF1	Ord Shares	100%	Switzerland	Unlisted
(vi)	Vacation Services International Limited	US\$1	Ord Shares	100%	Cayman Islands	Unlisted
(vii)	Worldwide Tourism Services N V	US\$1	Ord Shares	100%	Netherlands Antilles	Unlisted

- (i) Central Holdings Limited is located in the Cayman Islands. The Company is engaged in the activity of investment holding. The company was acquired by the group on 10th April 2006. The net assets of the company at 31st December 2012 were \$39,390,751 (2011 \$40,978,697). The financial statements for the year ended 31st December 2012 were audited by PricewaterhouseCoopers S C Mariano Escobedo 573, Colonia Rincón del Bosque C P Mexico.

The company invested in the stock of Grupo Costamex, S A de C V, (40.65%) in 1991. Such investments are recorded by equity method. Further details can be found in note 6.

- (ii) Holiday Club Management Company Ltd is located in the Cayman Islands. The Company is engaged in providing services related to the membership contracts sold by Resort Interval Inc (a fellow subsidiary) to members, which grant certain rights over the usage of vacation properties over the term of such membership contracts.

The Company was acquired by the group on 16th August 2005. The net liabilities of the Company at 31st December 2012 were \$4,565,066 (2011 \$7,335,059).

The financial statements for the year ended 31st December 2012 were audited by PricewaterhouseCoopers S C Mariano Escobedo 573, Colonia Rincón del Bosque C P Mexico and have been prepared on a going concern basis subject to the continued support of the parent LLP and a fundamental uncertainty note has been included in the audit report in this regard.

- (iii) Resort Interval Inc is located in the Republic of Panama. The Company is engaged in the marketing and sale of memberships (participation bonds), offered by Royal Holiday Club S A (a fellow subsidiary).

The Company was acquired by the group on 16th August 2005. The net liabilities of the Company at 31st December 2012 were \$1,012,215 (2011 net assets \$479,787). The financial statements for the year ended 31st December 2012 were audited by PricewaterhouseCoopers S C Mariano Escobedo 573, Colonia Rincón del Bosque C P Mexico.

- (iv) Interval Financial Ltd (formerly RH Financial Limited) is located in the Cayman Islands. The Company is dedicated primarily to providing financial services to the group. The company was acquired by the group on 2nd December 2005. The net assets of the company at 31st December 2012 were \$27,447,323 (2011 \$27,165,067). The financial statements for the year ended 31st December 2011 were audited by PricewaterhouseCoopers S C Mariano Escobedo 573, Colonia Rincón del Bosque C P Mexico.

Notes to the financial statements
For the year ended 31st December 2012

5. Investments in subsidiary companies (continued)

- (v) Royal Holiday Club A G is a non profit association based in Switzerland which holds participation bonds, which are marketed and sold to members by Resort Interval Inc, and which grant certain rights for the usage of vacation properties over the term of the membership contracts

The Company was acquired by the group on 16th August 2005 The net assets of the Company at 31st December 2012 were \$612,500 (CHF 670,186) (2011 \$628,124 – CHF 668,293) The financial statements of Royal Holiday Club A G for the year ended 31st December 2012, have not been audited

- (vi) Vacation Services International Limited is located in the Cayman Islands The Company earns revenue from the rent of intervals owned ("occupation rights") to related parties

The Company was acquired by the group on 2nd June 2006 The net assets of the Company at 31st December 2012 were \$3,888,615 (2011 \$5,287,677) The financial statements for the year ended 31st December 2012 were audited by R S & Associates CPA PSC, Condomino El Centro II, 500 Muñoz Rivera Ave Ste 301, San Juan, Puerto Rico

- (vii) Worldwide Tourism Services N V is located in Curacao, Netherlands Antilles The Company is engaged in providing administration services to related parties located in the Caribbean, Central and South America

The Company was acquired by the group on 16th August 2005 The net liabilities at 31st December 2012 were \$702,971 (2011 \$705,746)

The financial statements for the year ended 31st December 2012 were audited by PricewaterhouseCoopers S C Mariano Escobedo 573, Colonia Rincón del Bosque C P Mexico and have been prepared on a going concern basis subject to the continued support of the parent LLP and a fundamental uncertainty note has been included in the audit report in this regard

6. Investments in associates

The investment in associates represents Central Holdings Limited's 40.65% (2011 40.65%) investment in the stock of Grupo Costamex, S A de C V The investment is accounted for in Central Holdings Limited by the equity method (Note 5) The associate prepares accounts to 31st December

Grupo Costamex, S A de C V has been presented in the financial statements as an associated undertaking as the group exercises a significant influence over operating and financial policy, by virtue of the group holding in the associated undertaking being in excess of 20% of the voting rights



Notes to the financial statements
For the year ended 31st December 2012

7. Trade and Other Receivables

	Group 2012 US\$	LLP 2012 US\$	Group 2011 US\$	LLP 2011 US\$
Accounts receivable long term	17,571,217	-	12,765,617	-
Less doubtful debts	(1,757,121)	-	(1,276,561)	-
Accounts receivable - Trade	34,327,318	-	27,584,702	-
- Other	3,244,271	-	3,443,331	-
- Doubtful debts	(17,969,780)	-	(14,731,405)	-
	<u>35,415,905</u>	<u>-</u>	<u>27,785,684</u>	<u>-</u>

Long term receivables represent receivables generated from membership contracts executed with Customers which generally have a maximum due date of 5 years from the date of execution of the contract

8. Other Assets

	Group 2012 US\$	LLP 2012 US\$	Group 2011 US\$	LLP 2011 US\$
Guarantee deposits	499,495	-	242,102	-
Prepayments	178,874	-	426,019	-
Deferred Interest	-	-	469,049	-
Others	24,721	-	27,182	-
Recoverable income tax	614,102	-	614,102	-
Deferred cost of vacation credits	1,010,010	-	-	-
	<u>2,327,204</u>	<u>-</u>	<u>1,778,454</u>	<u>-</u>

9. Loans receivable and payable with related parties

	2012		2011	
	Due from related party US\$	Due to related party US\$	Due from related party US\$	Due to related party US\$
Grupo Costamex S A De C V	<u>33,167,336</u>	<u>20,381,553</u>	<u>23,249,066</u>	<u>20,391,492</u>

Notes to the financial statements For the year ended 31st December 2012

10. Trade and other payables

	Group 2012 US\$	LLP 2012 US\$	Group 2011 US\$	LLP 2011 US\$
Trade payables	3,785,651	98,719	2,871,824	52,894
Accrued expenses	2,996,461	36,033	3,409,756	29,341
	<u>6,782,112</u>	<u>134,752</u>	<u>6,281,580</u>	<u>82,235</u>

11. Other Current Liabilities

	Group 2012 US\$	LLP 2012 US\$	Group 2011 US\$	LLP 2011 US\$
Current position on borrowings	-	-	230,213	-
Deferred revenues	50,073,603	-	38,225,525	-
	<u>50,073,603</u>	<u>-</u>	<u>38,455,738</u>	<u>-</u>

12. Borrowings

	Group 2012 US\$	LLP 2012 US\$	Group 2011 US\$	LLP 2011 US\$
Loan from Textron Financial Corporation	-	-	230,213	-
Analysed as				
Current obligations	-	-	230,213	-
Non current obligations	-	-	-	-
	<u>-</u>	<u>-</u>	<u>230,213</u>	<u>-</u>

On 3rd February 2005, a credit contract was signed between Resort Interval Inc and Textron Financial Corporation with a revolving credit line of \$19 million. Principal and interest is repayable in monthly instalments according to the collection of the accounts receivable guaranteed in such operation.

Notes to the financial statements

For the year ended 31st December 2012

13. Membership Subscriptions

The members subscribed to the LLP are shown below, and as specified by the Membership Agreement dated 2nd August 2005,

	Capital Contribution £	Percentage Interest %
International Tourism Holdings Limited	90	90
Odyssey Resort Group Limited	10	10
	<u>100</u>	<u>100</u>

14. Commitments and Contingencies – Litigation

Companies within the RHI Leisure LLP Group are party to various actions in the normal course of business. None of the Companies are involved in or threatened by proceedings for which the Companies believe they are not adequately insured or indemnified, or which, if determined adversely, would have a material adverse effect on their financial positions, results of operations, or cash flows.

15. Transfer Pricing

Worldwide Tourism Service – Additional taxes payable could arise in transactions with non-resident related parties if the tax authority, during a review, believes that prices and amounts used by the Company are not similar to those used with or between independent parties in comparable transactions.

16. Non Audit Services

In common with many other businesses of this size and nature, the auditors are used to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

17. Related Parties

On the 2nd August 2006 RHI LLP entered into an agreement with Grupo Costamex S A De C V "Costamex" a company incorporated under the laws of the United Mexican States. The agreement was to have effect from 24th November 2005. The agreement granted exclusive rights to the Costamex group to market and sell memberships in Mexico. Details of the loans due and from Costamex group can be found in note 9.

Notes to the financial statements
For the year ended 31st December 2012

18. Impairment of investment in subsidiaries and provision for losses

The LLP acquired net assets in Resort Interval Inc (RI) of \$10,947,902, however, at 31st December 2012 RI had net liabilities of \$1,012,215. Consequently, the LLP recognised an impairment of the investment in RI of \$479,786 and in addition recognised a provision of \$1,012,216 which represents the extent to which the LLP may be liable to settle RI's liabilities in the future.

At 31st December 2012, Worldwide Tourism Services N V (WWTS) had net liabilities of \$702,971. Consequently, the LLP has recognised a provision of \$702,971 in respect of the investment in WWTS, which represents the extent to which the LLP may be liable to settle WWTS's liabilities in the future.

The LLP acquired net assets in Holiday Club Management Company Limited (HCMC) of \$11,208,729, however, at 31st December 2012 HCMC had net liabilities of \$4,565,066. Consequently, the LLP has recognised an impairment of the investment in HCMC of \$11,208,728 and in addition recognised a provision of \$4,565,066 which represents the extent to which the LLP may be liable to settle HCMC's liabilities in the future.

19. Minority Interest

	Group 2012 US\$	Group 2011 US\$
Minority interest brought forward	5,882,823	6,654,509
Loss attributable to minority interest	(560,865)	(771,686)
Dividends paid to minority interests	<u>-</u>	<u>-</u>
Minority interests at 31st December 2012	<u>5,321,958</u>	<u>5,882,823</u>

RHI LEISURE LLP

Appendix

Detailed statement of comprehensive income For the year ended 31st December 2012

	Note	2012 US\$	2012 US\$	2011 US\$
Revenue				
Dividends received from investments			-	-
Expenditure				
Audit fees		18,576		32,818
Administration fees		201,382		146,415
Foreign Exchange gain/(loss)		2,539		1,676
Bank charges		867		-
			(223,367)	(180,909)
Loss for the year before Impairment and provisions			(223,367)	(180,909)
Impairment of subsidiary investment	5	(479,786)		(951,613)
Provision for subsidiary's liabilities	5	(1,012,216)		(95,335)
Reversal of provision for subsidiary's liabilities		5,423,094		-
Profit/(loss) for the year before taxation		3,707,725		(1,227,857)
Taxation	3	-		-
Profit/(loss) for the year after taxation		3,707,725		(1,227,857)
Retained reserves brought forward		(10,154,038)		(8,926,182)
Dividends		-		-
Retained reserves carried forward			(6,446,313)	(10,154,038)

This statement is for management purposes only and does not form part of the financial statements

Detailed consolidated statement of comprehensive income For the year ended 31st December 2012

	2012 US\$	2012 US\$	2011 US\$
Revenue			
Share of results from associate	(1,585,502)		(4,475,041)
Membership sales	18,252,920		21,921,379
Other income	14,230,553		10,075,178
Maintenance Fees	17,319,222		24,235,804
Occupation rights revenue	4,820,093		4,878,732
	<u>53,037,286</u>		<u>56,636,052</u>
Expenditure			
Cost of sales, intervals and services	(17,954,335)		(20,820,040)
General, administrative and selling expenses	(35,514,216)		(36,418,423)
	<u></u>		<u></u>
Group operating (loss)/profit		(431,265)	(602,411)
Interest expenses	(456,188)		(551,414)
Interest income	314,770		689,523
Other expenses	(1,124,101)		(2,028,227)
	<u></u>		<u></u>
(Loss)/profit for the year from continuing Operations before taxation		(1,696,784)	(2,492,530)
Taxation		4,874	(3,308)
		<u></u>	<u></u>
Profit/(loss) for the year from continuing Operations after taxation		<u>(1,691,910)</u>	<u>(2,495,838)</u>
Attributable to:			
Equity holders of the parent		(1,131,045)	(1,724,152)
Minority interest in consolidated subsidiary		(560,865)	(771,686)
		<u>(1,691,910)</u>	<u>(2,495,838)</u>