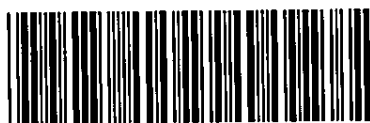


LES AMBASSADEURS CLUB LIMITED

Registered number: 2708889

**LES AMBASSADEURS CLUB LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008**

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LES AMBASSADEURS CLUB LIMITED

Directors' report for the year ended 31 March 2008

The directors present their report and the audited financial statements of Les Ambassadeurs Club Limited ('the Company') for the year ended 31 March 2008.

Principal Activity

Throughout the year the Company continued its principal activity, operating as a casino, restaurant and bar.

Review of business and future developments

Changes in gaming legislation, including an increase in the effective rates of gaming duty, together with new legislation in relation to smoking in public places, have combined to create a challenging operational environment. These factors and some significant player wins, have produced a disappointing result for the year.

A refurbishment of the casino bar and restaurant, gaming areas and facilities is currently underway and is expected to be completed by September 2008 at a cost of £5,500,000. The casino will remain open during this period and works will be carefully phased to minimise inconvenience to members.

Results and dividends

The results for the year to 31 March 2008 are shown in the profit and loss account on page 7. No dividends have been paid or are proposed (2007: nil). The resulting deficit of £11,049,000 has been transferred from reserves (2007: surplus of £7,955,000).

Financial risk management

The directors consider that the Company's key financial instrument is the amount due to the Company's holding company, Twinwood Limited, of £10,914,000. This facility is provided interest free and for the long term; consequently no hedging instruments are required.

The Company's operations expose it to a variety of financial risks that include the effects of changes in credit and liquidity risk. The company seeks to minimise liquidity risk in its operations by maintaining an overdraft facility with its bankers of £6.5 million together with a gaming reserve facility of £18.75 million.

The Company has implemented policies that require appropriate checks on potential customers and operates in strict compliance with the Gambling Act 2005 and BCA guidelines on the provision of cheque cashing facilities.

LES AMBASSADEURS CLUB LIMITED

Directors

The directors who have held office during the year are given below:

A L Goodenough
A G Jackson (resigned 27/09/2007)
M King (appointed 27/09/2007)
J Newell
P N Rahr
W R Sherry

Supplier payment terms

It is the Company's policy and practice to agree appropriate payment terms and conditions individually with its suppliers, having regard to the spirit of the CBI's Prompt Payers Code. The average number of days taken to pay trade creditors during the year was 35 (2007: 35).

Employee involvement

The Company recognises its obligations towards disabled persons and endeavours to provide as much employment opportunity as the demands of the Company's operations and the abilities of disabled persons allows.

Applications for employment from disabled persons are studied with care and every effort is made to find them and any existing employees who become disabled, appropriate work and training where it is needed. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of a person who does not suffer from a disability.

The Company is committed to employee consultation at all levels and encourages their involvement in the development of the Company's business. Recently, a new in house news letter has been produced to underpin the employee communications programme.

Political contributions and charitable donations

During the year the Company made no political contributions (2007: nil) and charitable donations of £29,370 (2007: £81,000).

Statement of directors' responsibilities

The directors are responsible for preparing the annual report including, as described below, the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year. In preparing those financial statements, the directors are required to:

LES AMBASSADEURS CLUB LIMITED

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

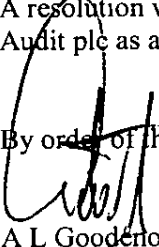
In addition the Companies Act 1985 requires directors to provide the Company's auditors with every opportunity to take whatever steps and undertake whatever inspections the auditors consider to be appropriate for the purpose of enabling them to give their audit report. The directors, having made appropriate enquiries, confirm that:

- as far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

A resolution will be proposed at the Annual General Meeting to re-appoint HLB Vantis Audit plc as auditors.

By order of the Board



A L Goodenough
Director
20 April 2008

LES AMBASSADEURS CLUB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LES AMBASSADEURS CLUB LIMITED

We have audited the financial statements of Les Ambassadeurs Club Limited on pages 7 to 17 for the year ended 31 March 2008. 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 Section 235 of the Companies Act 1985. 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 the director and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the director's report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the director's report is consistent with the financial statements.

HLB Vantis Audit plc 23rd December 2008

HLB Vantis Audit plc

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Chartered Accountants
Registered Auditor

66 Wigmore Street
London
W1U 2SB

LES AMBASSADEURS CLUB LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008**

		Year ended 31 March 2008	Year ended 31 March 2007
	Notes	£000	£000
Turnover	1(b)	21,654	50,508
Operating costs			
- Gaming taxation		(8,033)	(18,065)
- Other		(28,134)	(20,801)
		(36,167)	(38,866)
Operating (loss)/profit	2	(14,513)	11,642
Net interest receivable	5	227	342
Loss/ (profit) on ordinary activities before taxation		(14,286)	11,984
Tax credit/(charge) on profit on ordinary activities	6	3,237	(4,029)
Profit on ordinary activities after taxation	13	(11,049)	7,955

The Company had no recognised gains or losses other than its result for the year as stated above.

All the above items relate to continuing activities.

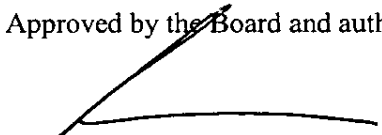
The notes on pages 9 to 17 form part of these financial statements.

LES AMBASSADEURS CLUB LIMITED

BALANCE SHEET AS AT 31 MARCH 2008

	Notes	31 March 2008 £000	31 March 2007 £000
Fixed assets			
Tangible assets	7	15,894	15,842
Current assets			
Stocks		229	234
Debtors	8	6,447	3,194
Cash at bank and in hand		974	27,440
		7,650	30,868
Creditors: amounts falling due within one year	9	(5,808)	(20,502)
Net current assets		1,842	10,366
Total assets less current liabilities		17,736	26,208
Creditors: amounts falling due after more than one year	10	(10,914)	(8,080)
Provisions for liabilities and charges	11	-	(257)
Net assets		6,822	17,871
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account	13	6,822	17,871
Equity shareholders' funds	14	6,822	17,871

Approved by the Board and authorised for issue on 20 April 2008.


Matthew King
Director

LES AMBASSADEURS CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements of the Company are prepared under the historic cost convention and in accordance with applicable accounting standards and the Companies Act 1985.

(b) Turnover

Turnover is recognised in the financial statements at the point at which services are performed. Turnover principally comprises net gaming wins, together with revenues from the sale of food, beverage and tobacco, net of value added tax.

(c) Fixed assets and depreciation

Fixed assets are stated at cost.

The company commenced operations as a casino in April 1993, after acquiring the lease to its premises and taking up the gaming licence of a sister casino, both transactions conducted between companies that were at that time within the same group. The costs of these acquisitions totalled £12,824,000 and are included within the licensed short leasehold property costs as the carrying value.

Each year, the directors review the carrying value of the short leasehold property, from which the Company conducts its casino operations. If, in their opinion, there is any impairment in that value, it is charged to the profit and loss account. On the basis of this review, it is the directors' opinion that the residual disposal value of the property is at least equal to its book value.

Although this accounting policy is in accordance with FRS15 Tangible Fixed Assets, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Had the short leasehold property been depreciated in accordance with the Companies Act 1985 then its book value at 31 March 2008 would be £5,343,000 lower than stated in the financial statements.

The lease has an unexpired term of 20 years and the value of leasehold improvements are depreciated over the remaining term of the lease on a reducing balance basis.

Other assets are depreciated over their estimated useful lives on the following bases:

Computer equipment	20% straight line
Fixtures and fittings	10% to 20% straight line
Motor vehicles	20% straight line

Assets under construction comprise the costs incurred in respect of the improvements in the club facilities. Assets included as under construction are transferred to the appropriate asset category on completion of the project. No depreciation is provided on assets construction until these assets have been brought into working condition for use by the Company.

(d) Taxation

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

Deferred taxation 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, tax in the future.

Resultant deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the deferred tax assets resulting from underlying timing differences can be recovered.

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.

(e) Stocks

Stocks comprise consumable items and are stated at the lower of cost and net realisable value.

(f) Trade debtors and unpaid gaming cheques

Full provision is charged to the profit and loss account for all unpaid gaming cheques, net of any amounts recovered up to the date of approval of the financial statements. Amounts recovered after the balance sheet date and up to the date of approval of the financial statements are recorded as trade debtors in the balance sheet.

(g) Exchange gains and losses

Transactions in foreign currencies are translated into sterling at the rates ruling at the date of the transaction and exchange differences are taken to the profit and loss account. Foreign currency assets and liabilities held at the balance sheet date are translated at the closing rate on the balance sheet date.

(h) Leases

The rental charges in respect of operating leases are taken to the profit and loss account on a straight line basis over the life of the lease.

(i) Pension costs

Contributions to a Money Purchase defined contribution scheme are charged against profits as they are incurred.

(j) Cash flow statement

The Company's results are consolidated within Twinwood Limited, which has adopted the provisions of Financial Reporting Standard 1, 'Cash Flow Statements'. Accordingly, the Company has elected to utilise the exemption provided by FRS1 and has not provided a cash flow statement.

(k) Related party transactions

The company has taken advantage of the exemption in FRS 8 from the requirement to disclose transactions with group companies on the grounds that consolidated accounts are prepared by the immediate parent company.

LES AMBASSADEURS CLUB LIMITED

2. OPERATING PROFIT

Operating profit is stated after charging:

	Year ended 31 March 2008 £000	Year ended 31 March 2007 £000
Employee costs (see note 3)	9,588	9,840
Operating lease rentals on property	1,414	1,418
Operating lease rentals on equipment	84	110
Depreciation	464	451
Auditors remuneration (audit services)	30	30
Auditors remuneration (non audit services)	37	44
Exchange losses	45	41

All of the Company's turnover, profit on ordinary activities and net assets derive from the operation of a UK casino, restaurant and bar.

3. EMPLOYEE INFORMATION

	Year ended 31 March 2008 £000	Year ended 31 March 2007 £000
Employee costs (including directors)		
Wages and salaries	7,859	8,194
Social security costs	854	938
Other pension costs	875	708
	9,588	9,840
	No.	No.
Average number of employees		
Administration	23	19
Catering	84	82
Gaming	134	124
Marketing	3	3
	244	228

LES AMBASSADEURS CLUB LIMITED

4. DIRECTORS EMOLUMENTS

Including pension contributions

	Year ended 31 March 2008 £000	Year ended 31 March 2007 £000
Emoluments	518	907
Pension contributions	284	163
<hr/>		
Highest paid	272	518
Pension contributions	200	100

Four directors have benefits accruing under the pension scheme (2007: three).

In addition to the above emoluments, two directors provide services to the company through service companies. During the year AG Jackson (A G Jackson Associates Limited) invoiced £90,000 (2007: £60,000) and W R Sherry (WRS Gaming Services Limited) invoiced £36,711 (2007: £33,316).

5. NET INTEREST RECEIVABLE

	Year ended 31 March 2008 £000	Year ended 31 March 2007 £000
Other interest (receivable) / payable	(416)	(497)
Facility fees charged	189	155
<hr/>		
	227	(342)

LES AMBASSADEURS CLUB LIMITED

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax (credit)/ charge in the year

	Year ended 31 March 2008 £000	Year ended 31 March 2007 £000
Current tax:		
UK corporation tax at 30% (2007: 30%)	(2,874)	3,980
Overprovision in respect of prior year	(106)	-
Total current tax	(2,980)	3,980
Deferred taxation		
Origination of timing differences (see note 11)	(257)	49
	(3,237)	4,029

(b) Factors affecting current tax (credit)/charge

	Year ended 31 March 2008 £000	Year ended 31 March 2007 £000
(Loss)/profit on ordinary activities before tax	(14,286)	11,984
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007: 30%)	(4,286)	3,595
Tax effects of:		
Expenses not deducted for tax purposes	491	409
Depreciation (less than) / greater than capital allowances	10	(24)
Other timing differences	1,486	-
Other tax adjustments	(575)	-
Prior year over provision	(106)	-
Utilisation of group tax losses	-	(990)
Payment for group relief	-	990
Current tax charge for the year	(2,980)	3,980

(c) Factors that may affect future tax charges

The future tax charges of the Company are likely to be affected by timing differences in respect of capital allowances.

LES AMBASSADEURS CLUB LIMITED

7. TANGIBLE FIXED ASSETS

	Licensed short leasehold properties £000	Fixtures, fittings and computer equipment £000	Motor vehicle £000	Assets under Constr- uction £000	Total £000
Cost					
At 31 March 2007	20,576	4,327	256	-	25,159
Additions	415	179	-	107	701
Disposals	-	-	(256)	-	(256)
At 31 March 2008	20,991	4,506	-	107	25,604
Depreciation					
At 31 March 2007	6,339	2,935	43	-	9,317
Charge for year	71	365	28	-	464
Disposals	-	-	(71)	-	(71)
At 31 March 2008	6,410	3,300	-	-	9,710
Net book value					
At 31 March 2008	14,581	1,206	-	107	15,894
At 31 March 2007	14,237	1,392	213	-	15,842

LES AMBASSADEURS CLUB LIMITED

8. DEBTORS

	Year ended 31 March 2008 £000	Year ended 31 March 2007 £000
Trade debtors	1,000	2,569
Other debtors	1,944	60
Prepayments and accrued income	629	565
Corporation taxation recoverable	2,874	-
	<hr/> 6,447	<hr/> 3,194

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year ended 31 March 2008 £000	Year ended 31 March 2007 £000
Bank overdraft	3,609	-
Trade creditors	424	461
Corporation tax	-	2,990
Gaming taxation payable	-	12,789
Other taxation and social security	247	300
Accruals and deferred income	616	261
Other creditors	826	2,630
Pension contributions	86	81
Amounts due to holding company	-	990
	<hr/> 5,808	<hr/> 20,502

Details of overdraft facilities and security are set out in note 17.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Year ended 31 March 2008 £000	Year ended 31 March 2007 £000
Amounts due to holding company	10,914	8,080

The amount due to the holding company is provided for the long term and is interest free.

LES AMBASSADEURS CLUB LIMITED

11. PROVISIONS FOR LIABILITIES AND CHARGES

The amount of deferred taxation which has been provided in the financial statements is as follows:

	£000
Opening balance	257
Decrease for the year (see note 6)	(257)
Closing balance	-

The deferred tax liability relates to timing differences in respect of capital allowances.

12. CALLED UP SHARE CAPITAL

At 31 March 2008 and 31 March 2007

	£
Authorised	
1,000 ordinary shares of £1 each	1,000
Allotted, called up and fully paid	
2 Ordinary shares of £1 each	2

13. RESERVES

	Profit and loss account
	£000
At 31 March 2007	17,871
Retained loss for the financial year	(11,049)
At 31 March 2008	6,822

LES AMBASSADEURS CLUB LIMITED

14. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	Year ended 31 March 2008 £000	Year ended 31 March 2007 £000
Opening equity shareholders' funds	17,871	9,916
(Loss)/profit on ordinary activities after taxation	(11,049)	7,955
Closing equity shareholders' funds	6,822	17,871

15. OPERATING LEASE COMMITMENTS

	31 March 2008		31 March 2007	
	Land and buildings £000	Motor vehicles/ equipment £000	Land and buildings £000	Motor vehicles/ equipment £000
Non-cancellable operating lease commitments payable within one year for leases expiring:				
- within one year	22	48	-	7
- between two and five years	-	56	-	64
- over five years	1,400	-	1,400	-
	1,422	104	1,400	71

16. CAPITAL AND OTHER COMMITMENTS

At 31 March 2008, preliminary work had started on an upgrade of club facilities which is expected to cost a total of £5,500,000, with a completion date in September 2008 (2007: £nil).

17. SECURITY AND GUARANTEES

The overdraft facility of £6.5 million and the gaming reserve facility of £18.75 million, have been secured directly by the Company's ultimate shareholders.

18. ULTIMATE PARENT COMPANY

The Company is controlled by its intermediate holding company Twinwood Limited (registered number: 04940246). Twinwood Limited is incorporated in England and Wales. The registered address is 20-22 Bedford Row, London WC1R 4JS. Twinwood acts as a holding company. The ultimate holding company is Bluestream Holdings Limited, a company incorporated in the British Virgin Islands.