

**VEGAS PROPERTIES LIMITED**

Company No: 4908122

**FINANCIAL STATEMENTS**

**for the year ended**

**31 MARCH 2006**

**COHEN ARNOLD**  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITOR  
1075 FINCHLEY ROAD  
LONDON NW11 0PU

FRIDAY



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COMPANIES HOUSE

**VEGAS PROPERTIES LIMITED**

**DIRECTOR**

A Schimmel

**SECRETARY**

H C Schimmel

**REGISTERED OFFICE**

121 Princes Park Avenue  
LONDON NW11 OJS

**AUDITORS**

Cohen Arnold  
New Burlington House  
1075 Finchley Road  
LONDON NW11 OPU

**VEGAS PROPERTIES LIMITED**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**

Page

1 - 2	Directors' Report
3 - 4	Auditors' Report
5	Profit and Loss Account
6	Balance Sheet
7 - 9	Notes to the Financial Statements

## **VEGAS PROPERTIES LIMITED**

### **DIRECTOR'S REPORT**

The Director has pleasure in presenting the Annual Report together with the audited Financial Statements of the Company for the year ended 31 March 2006.

#### **BUSINESS REVIEW**

The principal activity of the Company is represented by its interest in a Joint Venture engaged in land development, construction and sale of completed apartments in a residential condominium project located in Las Vegas, Nevada, USA.

#### **RESULTS AND DIVIDEND**

The financial results of the Company's activities for the year ended 31 March 2006 are fully reflected in the attached Financial Statements together with the Notes thereon.

The Directors do not recommend the payment of a dividend for the year under review.

#### **DIRECTORS AND DIRECTORS' INTEREST IN SHARE CAPITAL**

The Director who served during the period and who is still in office is A Schimmel.

The whole of the issued share capital of the Company is owned by Farmwood Investments Limited, a Company incorporated in England.

The beneficial interest of the Director in the share capital of the ultimate parent undertaking, Moledene Limited, a Company incorporated in England, is shown in the Directors' Report of that Company.

#### **DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of its profit or loss for that year. In preparing the Financial Statements, the Directors are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable accounting standards, subject to any material departures disclosed and explained in the Financial Statements

## **VEGAS PROPERTIES LIMITED**

### **DIRECTOR'S REPORT**

#### **DIRECTORS' RESPONSIBILITIES (Continued)**

- iv) 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 maintaining 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

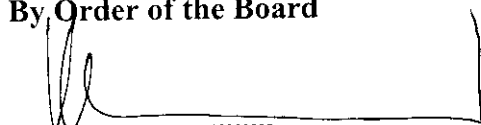
#### **CLOSE COMPANY**

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

#### **AUDITORS**

A resolution to re-appoint Cohen Arnold as auditors for the ensuing year will be proposed at the annual general meeting in accordance with Section 385 of the Companies Act 1985.

By Order of the Board



.....  
H C Schimmel - Secretary

27<sup>th</sup> March 2007

# **INDEPENDENT AUDITORS' REPORT**

## **TO THE SHAREHOLDERS**

**- OF -**

### **VEGAS PROPERTIES LIMITED**

We have audited the Financial Statements of Vegas Properties Limited for the year ended 31 March 2006 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These Financial Statements have been prepared under the historical cost convention, and on the basis of 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 DIRECTORS AND THE AUDITORS**

As described on pages 1 and 2, the Directors of the company are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

It is our responsibility 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 if, in our opinion, the Director's Report is consistent with the Financial Statements, if 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 Directors' remuneration and transactions with the Company 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 Directors 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.

**INDEPENDENT AUDITORS' REPORT**

**(Continued)**

**TO THE SHAREHOLDERS**

**- OF -**

**VEGAS PROPERTIES LIMITED**

**BASIS OF AUDIT OPINION (Continued)**

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.


**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 2006 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.

London

Date: 27 March 2007



COHEN ARNOLD  
Chartered Accountants and  
Registered Auditor

**VEGAS PROPERTIES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2006**

	Notes	<b><u>2006</u></b> <b><u>£</u></b>	<b><u>2005</u></b> <b><u>£</u></b>
Administrative Expenses		(900)	(1,200)
		—	—
<b>OPERATING LOSS</b>		(900)	(1,200)
Interest Payable	6	(36,960)	-
		—	—
<b>LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION, LOSS FOR THE FINANCIAL YEAR</b>	3	(37,860)	(1,200)
Loss Brought Forward		(1,200)	-
		—	—
<b>LOSS CARRIED FORWARD</b>		<b>£(39,060)</b>	<b>£(1,200)</b>
		=====	=====

The Company has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the period nor for the previous period.

The notes on pages 7 to 9 form part of these Financial Statements.

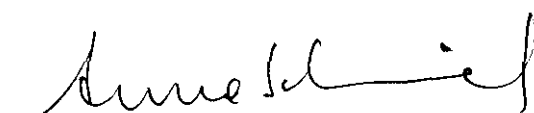


**VEGAS PROPERTIES LIMITED**

**BALANCE SHEET AS AT 31 MARCH 2006**

	Notes	<u>2006</u> £	<u>2005</u> £
<b>FIXED ASSETS</b>			
Investment in Joint Venture	4	549,179	549,179
<b>CURRENT ASSETS</b>			
Debtors	5	2	2
		<hr/>	<hr/>
		549,181	549,181
<b>CREDITORS:</b> Amounts falling due within one year	6	(588,239)	(550,379)
		<hr/>	<hr/>
<b>DEFICIENCY IN NET ASSETS</b>		<u>£(39,058)</u>	<u>£(1,198)</u>
<b>CAPITAL AND RESERVES</b>			
Called up Share Capital	7	2	2
Profit and Loss Account		(39,060)	(1,200)
		<hr/>	<hr/>
		<u>£(39,058)</u>	<u>£(1,198)</u>

The Financial Statements were approved by the Board on 27<sup>th</sup> March 2007 and signed on its behalf by

  
.....  
**A SCHIMMEL**  
**DIRECTOR**

The notes on pages 7 to 9 form part of these Financial Statements.

# **VEGAS PROPERTIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2006**

#### **1. ACCOUNTING POLICIES**

The following Accounting Policies have been used consistently in the preparation of the Company's Financial Statements.

##### **1.1 BASIS OF ACCOUNTING**

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

##### **1.2 RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemptions in Financial Reporting Standard No. 8 "Related Party Disclosures" in order to dispense with the requirement to disclose transactions with other Group Companies.

#### **2. FORMAT OF FINANCIAL STATEMENTS**

The Financial Statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the Directors consider to be appropriate having regard to the nature of the Company's activities.

#### **3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

Loss on Ordinary Activities before taxation is stated after charging the following:

	<b><u>2006</u></b>	<b><u>2005</u></b>
Auditors' Remuneration	£900	£1,200
	<u>          </u>	<u>          </u>

#### **4. INVESTMENT IN JOINT VENTURE**

The Company's investment of £549,179 (1 million US dollars) represents a 29.12% interest in SRW Investments L.P. ("SRW") a Limited Partnership registered in Nevada, USA.

Financial Statements are not available for SRW which has a 22.47% interest in the Joint Venture Undertaking engaged in the land development, construction and sale of completed apartments in a residential condominium project located in Las Vegas, Nevada, USA.

**VEGAS PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2006**

**5. DEBTORS**

	<b><u>2006</u></b>	<b><u>2005</u></b>
Other Debtor	£2	£2
	<u>          </u>	<u>          </u>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b><u>2006</u></b>	<b><u>2005</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Amounts due to Intermediate Parent Undertaking	549,179	549,179
Interest Payable to Intermediate Parent Undertaking	36,960	-
Other Creditors and Accruals	1,200	1,200
	<u>          </u>	<u>          </u>
	£588,239	£550,379
	<u>          </u>	<u>          </u>

**7. CALLED UP SHARE CAPITAL**

	<b><u>2006</u></b>	<b><u>2005</u></b>
<u>Authorised:</u>		
1,000 Ordinary Shares of £1 each	£1,000	£1,000
	<u>          </u>	<u>          </u>
<u>Issued and Fully Paid:</u>		
2 Ordinary Shares of £1 each	£2	£2
	<u>          </u>	<u>          </u>

**8. ULTIMATE PARENT UNDERTAKING**

The Ultimate Parent Undertaking is Moledene Limited, a Company incorporated in the United Kingdom and registered in England and Wales.

**VEGAS PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2006**

**9. FINANCIAL STATEMENTS – GOING CONCERN**

Notwithstanding the deficiency in net assets of the Company, the Financial Statements have been prepared in accordance with the accounting principles applicable to a going concern, on the basis of continuing financial support being provided by the Company's Intermediate Parent Undertaking.