

**VEGAS PROPERTIES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE**  
**YEAR ENDED 31 MARCH 2008**

**COMPANY REGISTRATION NUMBER 4908122**



**COHEN ARNOLD**  
Chartered Accountants & Registered Auditors  
New Burlington House  
1075 Finchley Road  
LONDON  
NW11 0PU

**VEGAS PROPERTIES LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2008**

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**VEGAS PROPERTIES LIMITED**

**OFFICERS**

**THE DIRECTOR**

A Schimmel

**COMPANY SECRETARY**

H C Schimmel

**REGISTERED OFFICE**

121 Princes Park Avenue  
London  
NW11 0JS

**AUDITOR**

Cohen Arnold  
Chartered Accountants  
& Registered Auditors  
New Burlington House  
1075 Finchley Road  
LONDON  
NW11 0PU

# **VEGAS PROPERTIES LIMITED**

## **THE DIRECTOR'S REPORT**

**YEAR ENDED 31 MARCH 2008**

The director presents her report and the financial statements of the company for the year ended 31 March 2008.

### **PRINCIPAL ACTIVITIES AND 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. During the year the company disposed of its equity investment in the joint venture.

### **RESULTS AND DIVIDENDS**

The financial results of the company's activities for the year ended 31 March 2008 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.

### **DIRECTOR**

The director who served the company during the year was as follows:

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.

### **DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**VEGAS PROPERTIES LIMITED**  
**THE DIRECTOR'S REPORT** *(continued)*  
**YEAR ENDED 31 MARCH 2008**

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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.

In so far as the director is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the auditor is aware of that information.

**CLOSE COMPANY PROVISIONS**

In the opinion of the director, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

**AUDITOR**

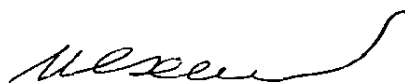
A resolution to re-appoint Cohen Arnold as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the director

H C SCHIMMEL  
Company Secretary



Approved by the director on 29.1.09.

**VEGAS PROPERTIES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**VEGAS PROPERTIES LIMITED**  
**YEAR ENDED 31 MARCH 2008**

We have audited the financial statements of Vegas Properties Limited for the year ended 31 March 2008, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR**

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.

**VEGAS PROPERTIES LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
VEGAS PROPERTIES LIMITED *(continued)***

**YEAR ENDED 31 MARCH 2008**

**OPINION**


In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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.



COHEN ARNOLD  
Chartered Accountants  
& Registered Auditors

New Burlington House  
1075 Finchley Road  
LONDON  
NW11 0PU

29 January 2009  
Date: 

**VEGAS PROPERTIES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2008**

	Note	2008 £	2007 £
Administrative Expenses		(8,673)	(9,650)
<b>OPERATING LOSS</b>	<b>2</b>	<b>(8,673)</b>	<b>(9,650)</b>
Surplus on Disposal of Investment		153,313	—
Loan Investment and Debt Provisions	3,4	(400,000)	—
Interest Payable and Similar Charges		(90,297)	(63,298)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(345,657)</b>	<b>(72,948)</b>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(345,657)</b>	<b>(72,948)</b>
Balance Brought Forward		(112,008)	(39,060)
Balance Carried Forward		<u>(457,665)</u>	<u>(112,008)</u>

The notes on pages 8 to 10 form part of these financial statements.



# VEGAS PROPERTIES LIMITED

## BALANCE SHEET

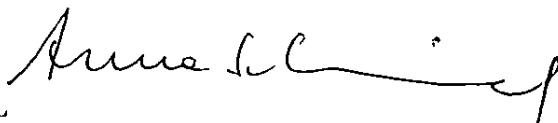
31 MARCH 2008

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Investments	3	341,760	1,085,447
<b>CURRENT ASSETS</b>			
Debtors	4	497,002	2
<b>CREDITORS: Amounts falling due within one year</b>	5	<u>1,296,425</u>	<u>1,197,455</u>
<b>NET CURRENT LIABILITIES</b>		<u>(799,423)</u>	<u>(1,197,453)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(457,663)</u>	<u>(112,006)</u>
<b>CAPITAL AND RESERVES</b>			
Called-Up Equity Share Capital	6	2	2
Profit and Loss Account		(457,665)	(112,008)
<b>DEFICIT</b>		<u>(457,663)</u>	<u>(112,006)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved and signed by the director and authorised for issue on 29.1.09.

A SCHIMMEL  
Director



The notes on pages 8 to 10 form part of these financial statements.

**VEGAS PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2008**

**1. ACCOUNTING POLICIES**

**1.1 Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), subject to the departures referred to below.

**1.2 Changes in accounting policies**

In preparing the financial statements for the current year, the company has adopted the Financial Reporting Standard for Smaller Entities (effective January 2007).

The adoption of Financial Reporting Standard for Smaller Entities (effective January 2007) has not resulted in any changes that need to be reflected in these financial statements and on the results of the preceding year.

**1.3 Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**1.4 Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**1.5 Format of the 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.

**2. OPERATING LOSS**

Operating loss is stated after charging:

	2008	2007
	£	£
Auditor's fees	<u>1,000</u>	<u>1,000</u>

**VEGAS PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2008**

**3. INVESTMENTS**

	Equity Investment £	Loan Investment £	Total £
<b>Cost</b>			
At 1 April 2007	543,687	541,760	1,085,447
Disposal	(543,687)		(543,687)
Provision		(200,000)	(200,000)
	<hr/>	<hr/>	<hr/>
At 31 March 2008	-	341,760	341,760
	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>			
At 31 March 2008			341,760
			<hr/>
At 31 March 2007			1,085,447
			<hr/>

During the year the company disposed of its equity interest (29.11%) in SRW Investments L.P. ("SRW") a limited partnership registered in Nevada, USA.

**4. DEBTORS**

	2008 £	2007 £
Other debtors	<u>497,002</u>	<u>2</u>

Included in other debtors is an amount of £497,000 (after provision of £200,000) due to the company as consideration for the sale of the company's equity investment.

**5. CREDITORS: Amounts falling due within one year**

	2008 £	2007 £
Amounts owed to group undertaking	1,295,425	1,196,455
Other creditors	<u>1,000</u>	<u>1,000</u>
	<u>1,296,425</u>	<u>1,197,455</u>

**VEGAS PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2008**

**6. SHARE CAPITAL**

**Authorised share capital:**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
1,000 Ordinary shares of £1 each	<b><u>1,000</u></b>	<b><u>1,000</u></b>

**Allotted, called up and fully paid:**

	<b>2008</b>		<b>2007</b>
	<b>No</b>	<b>£</b>	<b>No</b>
			<b>£</b>
Ordinary shares of £1 each	<b><u>2</u></b>	<b><u>2</u></b>	<b><u>2</u></b>

**7. ULTIMATE PARENT COMPANY**

The ultimate parent undertaking is Moledene Limited, a company incorporated in the United Kingdom and registered in England and Wales.

**8. 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.