

Crewvalley Limited

FINANCIAL STATEMENTS

for the period ended

31 May 2007

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COMPANIES HOUSE

Company Registration No 5697208

Crewvalley Limited

DIRECTOR AND OFFICERS

DIRECTOR

M D Watson

SECRETARY

M H P Ingham

COMPANY NUMBER

5697208 (England and Wales)

REGISTERED OFFICE

4th Floor
Leconfield House
Curzon Street
London
W1J 5JA

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

SOLICITORS

Olswang
90 High Holborn
London
WC1V 6XX

Crewvalley Limited

DIRECTOR'S REPORT

The director presents his report and financial statements of Crewvalley Limited for the period ended 31 May 2007

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company was incorporated on 3 February 2006

The principal activity of the company is that of investing in unlisted companies

During the period the company invested £600,000 in one such company. Unfortunately this company has failed to achieve any of its performance targets, now has minimal assets and is not expected to remain in operational existence. Accordingly, full provision has been made against this investment.

In the opinion of the director the results for the period were disappointing due to the failure of its investment. The financial position of the company at 31 May 2007 was satisfactory given the support of Vincos Limited, the company's immediate holding company.

FINANCIAL RISKS AND KEY PERFORMANCE INDICATORS

The company's investment policy is a high risk strategy as the processes being developed by the companies in which the investments are made may not be ultimately commercially viable. Accordingly, the value of the company's investments may not be realised in full.

The company mitigates its risk by

- (1) only investing as a minority investor together with other investors thereby spreading the risk, and
- (2) requiring detailed reports on the progress of the companies are provided on a periodic basis.

Because of the nature of the company's activities it has no relevant key performance indicators.

DIVIDENDS

The director does not recommend payment of a dividend.

DIRECTORS

The following directors have held office since 3 February 2006

| | |
|-----------------------------|---|
| V A Tchenguiz | (Appointed 3 February 2006 and resigned 10 December 2007) |
| London Law Services Limited | (Appointed 3 February 2006 and resigned 3 February 2006) |
| M D Watson | (Appointed 10 December 2007) |
| J Wick | (Appointed 12 March 2007 and resigned 19 March 2007) |

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The director who was in office on the date of approval of these financial statements has confirmed, as far as he is aware, that there is no relevant audit information of which the auditors are unaware. The director has confirmed that he has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.

Crewvalley Limited

DIRECTOR'S REPORT (CONTINUED)

AUDITORS

Baker Tilly UK Audit LLP were appointed auditors to the company

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with Section 386(1) of the Companies Act 1985. Therefore, the auditors, Baker Tilly UK Audit LLP, will be deemed to be reappointed for each succeeding financial year.

On behalf of the board

Michael Watson

M D Watson
Director

26 March 2008

Crewvalley Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 those financial statements, the director is required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREWVALLEY LIMITED

We have audited the financial statements on pages 6 to 11

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 Annual Report and 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 directors' 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 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.

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 at 31 May 2007 and of its result for the period then ended and 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.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

The Clock House

140 London Road

Guildford

Surrey

GU1 1UW

26 March 2008

Crewvalley Limited
 PROFIT AND LOSS ACCOUNT
 for the period ended 31 May 2007

| | <i>Notes</i> | Period ended 31 May 2007 £ |
|---|--------------|--|
| Other operating expenses | 1 | (264) |
| OPERATING LOSS | | (264) |
| Amounts written off investments | 2 | 600,000 |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (600,264) |
| Taxation | 4 | - |
| LOSS ON ORDINARY ACTIVITIES AFTER TAXATION | 8 | (600,264) |

All amounts derive from continuing activities

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Crewvalley Limited

BALANCE SHEET

31 May 2007

| | Notes | 2007 £ |
|---|-------|------------------|
| CREDITORS Amounts falling due within one year | 6 | (600,263) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>(600,263)</u> |
| CAPITAL AND RESERVES | | |
| Called up share capital | 7 | 1 |
| Profit and loss account | 8 | <u>(600,264)</u> |
| EQUITY SHAREHOLDERS' FUNDS | 9 | <u>(600,263)</u> |

The financial statements on pages 5 to 11 were approved by the board of directors and authorised for issue on 26 March 2008 and are signed on its behalf by

Michael Watson
M D Watson

Director

Crewvalley Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable accounting standards

The financial statements have been prepared under the historical cost convention

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

GOING CONCERN

The company is supported by Vincos Limited, a related company (see note 12), which has agreed not to withdraw its financial support. On this basis, the director considers it appropriate to prepare the accounts on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of this financial support.

INVESTMENTS

Investments where the company has a minority stake and does not have board representation or, where that representation is only that of a non-participating non-executive directorship, are considered to be passive investments irrespective of the size of the company's shareholding.

Fixed asset investments are stated at cost less provision for diminution in value.

CASHFLOW STATEMENT

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

Crewvalley Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 May 2007

| | | |
|---|---|-----------|
| 1 | OTHER OPERATING EXPENSES | 2007 £ |
| | Administrative expenses | 264 |
| 2 | AMOUNTS WRITTEN OFF INVESTMENTS | 2007 £ |
| | Amounts written off fixed asset investments | |
| | Permanent diminution in value | 600,000 |
| 3 | EMPLOYEES | |
| | There were no employees during the period apart from the director, who received no emoluments | |
| 4 | TAXATION | 2007 £ |
| | Current tax charge | - |
| | Factors affecting the tax charge for the period | |
| | Loss on ordinary activities before taxation | (600,264) |
| | Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% | (180,079) |
| | Effects of | |
| | Non deductible expenses | 70 |
| | Tax losses carried forward | 9 |
| | Provision against fixed asset investment | 180,000 |
| | | 180,079 |
| | Current tax charge | - |

Crewvalley Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the period ended 31 May 2007

5 FIXED ASSET INVESTMENTS

| | <i>Unlisted investments</i> £ |
|------------------------------------|--------------------------------------|
| Cost | |
| 3 February 2006 | - |
| Additions | 600,000 |
| | <hr/> |
| 31 May 2007 | 600,000 |
| | <hr/> |
| Provisions for diminution in value | |
| 3 February 2006 | - |
| Charge in the period | 600,000 |
| | <hr/> |
| 31 May 2007 | 600,000 |
| | <hr/> |
| Net book value | |
| 31 May 2007 | - |
| | <hr/> <hr/> |

| | |
|---|-------------|
| 6 CREDITORS Amounts falling due within one year | 2007 £ |
| Amounts owed to group undertakings | 600,233 |
| Other creditors | 30 |
| | <hr/> |
| | 600,263 |
| | <hr/> <hr/> |

| | |
|---------------------------------|-------------|
| 7 SHARE CAPITAL | 2007 £ |
| Authorised | |
| 100 Ordinary shares of £1 each | 100 |
| | <hr/> |
| Allotted, issued and fully paid | |
| 1 Ordinary share of £1 | 1 |
| | <hr/> <hr/> |

8 STATEMENT OF MOVEMENT ON RESERVES

| | <i>Profit and loss account</i> £ |
|------------------------------|---|
| Retained loss for the period | (600,264) |
| | <hr/> <hr/> |

Crewvalley Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the period ended 31 May 2007

| | | |
|---|---|------------------|
| 9 | RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS | 2007 |
| | | £ |
| | Loss for the financial period | (600,264) |
| | Proceeds from issue of shares | 1 |
| | | <hr/> |
| | Net depletion in shareholders' funds | (600,263) |
| | Opening shareholders' funds | - |
| | | <hr/> |
| | Closing shareholders' funds | <u>(600,263)</u> |

10 CAPITAL COMMITMENTS

Under the terms of the shareholders agreement entered into by the company in respect of the unlisted fixed asset investment made in the period, the company is committed to subscribe for additional shares. This commitment, to be made in tranches, is subject to the investment achieving certain performance criteria. The total commitment is £2,400,000 which, if fully made, is expected to result in a 30% interest in the issued share capital of the investment.

The investment has not met and is extremely unlikely to meet these performance targets. In the opinion of the director no commitment will arise.

11 CONTROL

The company's immediate holding company is Vincos Limited, a company registered in England.

The company's ultimate holding company is Amora Limited, a company registered in the British Virgin Islands.

The ultimate controlling party is the Tchenguiz Family Trust.

12 RELATED PARTY TRANSACTIONS

The company is related to Rotch Property Group Limited and its subsidiaries ("Rotch") with whom it had a directors in common and whose ultimate controlling party is the Tchenguiz Family Trust. At the 31 May 2007 £30 was due to Rotch.

At 31 May 2007 £600,233 was due to Vincos Limited, the company's immediate holding company.

In view of the company's current liabilities Vincos Limited has agreed not to withdraw its financial support.

No interest accrues on the related party balances.