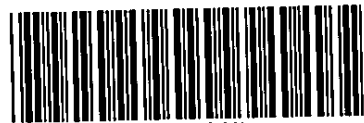


**REGISTERED NUMBER: 06337724 (England and Wales)**

**Report of the Directors and  
Unaudited Consolidated Financial Statements  
for the period 8 August 2007 to 31 December 2008  
for  
RoyalCap (UK) Limited**

MONDAY



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**RoyalCap (UK) Limited**

**Contents of the Consolidated Financial Statements  
for the period 8 August 2007 to 31 December 2008**

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**RoyalCap (UK) Limited**

**Company Information  
for the period 8 August 2007 to 31 December 2008**

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**DIRECTORS:** Y M Fergang  
R W Medway

**SECRETARY:** Throgmorton Secretaries LLP

**REGISTERED OFFICE:** 42-44 Portman Road  
Reading  
Berkshire  
RG30 1EA

**REGISTERED NUMBER:** 06337724 (England and Wales)

## **RoyalCap (UK) Limited**

### **Report of the Directors for the period 8 August 2007 to 31 December 2008**

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The directors present their report with the financial statements of the company and the group for the period 8 August 2007 to 31 December 2008.

#### **INCORPORATION**

The company was incorporated on 8 August 2007.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was to act as a service company to Royal Capital Management LLC.

#### **DIRECTORS**

The directors who have held office during the period from 8 August 2007 to the date this report are as follows:

Y M Fergang - appointed 8 August 2007

Lea Yeat Limited - appointed 8 August 2007 - resigned 8 August 2007

R W Medway - appointed 8 August 2007

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are 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.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

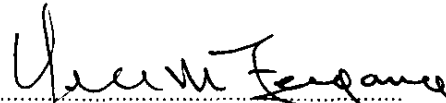
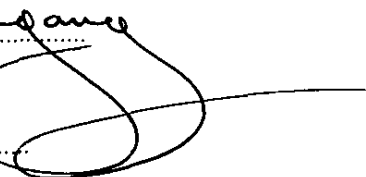
RoyalCap (UK) Limited

**Report of the Directors  
for the period 8 August 2007 to 31 December 2008**

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

**ON BEHALF OF THE BOARD:**

  
.....  
Director  
Date: 6/5/09 

**RoyalCap (UK) Limited**

**Consolidated Profit and Loss Account  
for the period 8 August 2007 to 31 December 2008**

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	Notes	£
<b>TURNOVER</b>	1	838,069
Administrative expenses		<u>(568,457)</u>
<b>OPERATING PROFIT</b>	2	269,612
Interest payable and similar charges		<u>(412)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		269,200
Tax on profit on ordinary activities	3	<u>(16,508)</u>
<b>PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION</b>		252,692
Minority interest - equity		<u>(189,647)</u>
<b>RETAINED PROFIT FOR THE PERIOD FOR THE GROUP</b>		<u>63,045</u>

The notes form part of these financial statements

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**RoyalCap (UK) Limited****Consolidated Balance Sheet  
31 December 2008**

	Notes	£
<b>FIXED ASSETS</b>		
Tangible assets	5	1,316
Investments	6	-
		<u>1,316</u>
 <b>CURRENT ASSETS</b>		
Debtors	7	888,158
Cash at bank		<u>38,528</u>
		926,686
<b>CREDITORS</b>		
Amounts falling due within one year	8	<u>(859,956)</u>
<b>NET CURRENT ASSETS</b>		<u>66,730</u>
 <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		68,046
 <b>MINORITY INTERESTS</b>	9	<u>(5,000)</u>
 <b>NET ASSETS</b>		<u>63,046</u>
 <b>CAPITAL AND RESERVES</b>		
Called up share capital	10	1
Profit and loss account	11	<u>63,045</u>
 <b>SHAREHOLDERS' FUNDS</b>		<u>63,046</u>

The company and the group are entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the period ended 31 December 2008.

The members have not required the the group to obtain an audit of its financial statements for the period ended 31 December 2008 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the the group keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company and the group as at the end of each financial year and of the group's profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company and the group.

The notes form part of these financial statements

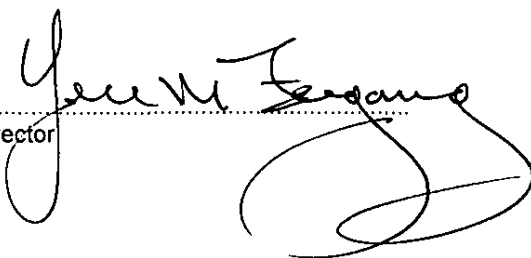
**RoyalCap (UK) Limited**

**Consolidated Balance Sheet - continued**  
**31 December 2008**

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

The financial statements were approved by the Board of Directors on June 6, 2009 and were signed on its behalf by:

  
.....  
Director

The notes form part of these financial statements

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RoyalCap (UK) Limited

Company Balance Sheet  
31 December 2008

	Notes	£
<b>FIXED ASSETS</b>		
Tangible assets	5	-
Investments	6	<u>5,000</u>
		<u>5,000</u>
<b>CURRENT ASSETS</b>		
Debtors	7	16,528
Cash at bank		<u>38,528</u>
		55,056
<b>CREDITORS</b>		
Amounts falling due within one year	8	<u>(73,198)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(18,142)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(13,142)</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	10	1
Profit and loss account	11	<u>(13,143)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(13,142)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the period ended 31 December 2008.

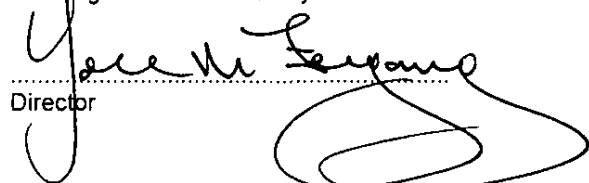
The members have not required the company to obtain an audit of its financial statements for the period ended 31 December 2008 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Board of Directors on June 5, 2009 and were signed on its behalf by:

  
Director

The notes form part of these financial statements

## RoyalCap (UK) Limited

### Notes to the Consolidated Financial Statements for the period 8 August 2007 to 31 December 2008

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#### 1. ACCOUNTING POLICIES

##### Accounting convention

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).

##### Basis of consolidation

The consolidated financial statements include the accounts of the company and its subsidiary undertaking, RoyalCap LLP (collectively the "group"), drawn up to 31 December 2008. RoyalCap (UK) Ltd holds 50% of the voting rights of its subsidiary. All material intercompany transactions and balances have been eliminated in the group financial statements. RoyalCap LLP was incorporated on 28 August 2007 and therefore the consolidated financial statements include the results of the LLP.

No profit and loss account is presented for RoyalCap (UK) Limited as permitted by Section 230 of the Companies Act 1985. Of the group profit for the period, a loss of £20,284 is dealt with in the accounts of the company.

##### Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

##### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 3 years straight line

##### Taxation and deferred taxation

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Any deferred tax assets and liabilities recognised is provided at the average rate of tax expected to apply when the asset and liability crystallises and are not discounted.

##### Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

##### Expenses

Expenses incurred have been recognised on an accruals basis.

#### 2. OPERATING PROFIT

The operating profit is stated after charging:

	£
Depreciation - owned assets	164
Operating leases	<u>240,448</u>
Directors' emoluments and other benefits etc	<u>-</u>

**RoyalCap (UK) Limited****Notes to the Consolidated Financial Statements - continued  
for the period 8 August 2007 to 31 December 2008****3. TAXATION****Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the period was as follows:

	£
Current tax:	
UK corporation tax	<u>16,508</u>
Tax on profit on ordinary activities	<u>16,508</u>

**Factors affecting the tax charge**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	£
Profit on ordinary activities before tax	<u>269,200</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.566%	55,364
Effects of:	
Disallowed expenses and non taxable items	25,488
Timing differences	(58)
Minority Interests	<u>(64,286)</u>
Current tax charge	<u>16,508</u>

**4. LOSS OF PARENT COMPANY**

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(20,284).

**5. TANGIBLE FIXED ASSETS****Group**

	Computer equipment £
<b>COST</b>	
Additions	<u>1,480</u>
At 31 December 2008	<u>1,480</u>
<b>DEPRECIATION</b>	
Charge for period	<u>164</u>
At 31 December 2008	<u>164</u>
<b>NET BOOK VALUE</b>	
At 31 December 2008	<u>1,316</u>

**RoyalCap (UK) Limited**

**Notes to the Consolidated Financial Statements - continued  
for the period 8 August 2007 to 31 December 2008**

**6. FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
Additions	<u>5,000</u>
At 31 December 2008	<u>5,000</u>
<b>NET BOOK VALUE</b>	
At 31 December 2008	<u>5,000</u>

Included within the investment is the company's capital interest of £5,000 in its subsidiary undertaking, in RoyalCap LLP which it holds 50% of the voting rights. The nature of the subsidiary's business is that of a service company. As at 31 December 2008, the subsidiary undertaking had Members other interests of £86,188 and a profit of £76,188.

**7. DEBTORS**

	Group £	Company £
Amounts falling due within one year:		
VAT	19,402	2,328
Prepayments and accrued income	<u>846,446</u>	<u>-</u>
	<u>865,848</u>	<u>2,328</u>
Amounts falling due after more than one year:		
Other debtors	<u>22,310</u>	<u>14,200</u>
Aggregate amounts	<u>888,158</u>	<u>16,528</u>

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

	Group £	Company £
Trade creditors	2,538	-
Tax	16,508	16,508
Other creditors	835,410	53,940
Accruals and deferred income	<u>5,500</u>	<u>2,750</u>
	<u>859,956</u>	<u>73,198</u>

**RoyalCap (UK) Limited****Notes to the Consolidated Financial Statements - continued  
for the period 8 August 2007 to 31 December 2008****9. MINORITY INTERESTS**

Minority interests represent the interests of the other members of RoyalCap LLP.

	£
Capital contribution by minority interests	<u>5,000</u>
At 31 December 2008	<u>5,000</u>

**10. CALLED UP SHARE CAPITAL**

Authorised:			
Number:	Class:	Nominal value:	£
1,000	Ordinary shares	1	<u>1,000</u>

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
1	Ordinary shares	1	<u>1</u>

1 Ordinary shares share of 1 was allotted and fully paid for cash at par during the period.

**11. RESERVES****Group**

	Profit and loss account £
Profit for the period	<u>63,045</u>
At 31 December 2008	<u>63,045</u>

**Company**

	Profit and loss account £
Deficit for the period	<u>(13,143)</u>
At 31 December 2008	<u>(13,143)</u>

**12. ULTIMATE CONTROLLING PARTY**

In the Directors' opinion, the Company's parent and ultimate controlling party is Royal Capital Management LLC.