GAME HOST
Income Fund

2007 Annual Financial Statements
for the year ended December 31, 2007

Auditor's Report

To the Unit Holders of
Gamehost Income Fund

We have audited the consolidated balance sheets of Gamehost Income Fund ("the Fund") as at December 31, 2007 and 2006 and the consolidated statements of unit holders' equity, consolidated statements of operations and consolidated statements of cash flows for the years then ended. These consolidated financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2007 and 2006 and the results of its changes in unit holders' equity, operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Heywood Holmes & Partners LLP

Chartered Accountants

Red Deer, Alberta
February 15, 2008

Consolidated Balance Sheets
(audited)

	December 31, 2007	December 31, 2006
Assets		
Current assets:		
Cash and cash equivalents	$ 13,124,669	$ 7,684,671
Restricted cash (note 9)	409,886	370,373
Accounts receivable	1,083,241	1,208,560
Current portion of notes receivable (note 10)	-	28,645
Inventories	283,710	253,360
Prepaid expenses	465,935	321,962
Due from related parties (notes 14)	6,805	-
	15,374,246	9,867,571
Notes receivable (note 10)	-	58,820
Property, plant & equipment (note 11)	34,331,178	35,676,659
Licenses (note 7)	-	3,500,000
Goodwill	42,579,216	42,579,216
	$ 92,284,640	$ 91,682,266
Liabilities and unit holder equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,460,096	$ 2,224,290
Term loans (note 13)	13,103,527	10,397,157
Due to related parties (note 14)	-	135,451
Unit holder distributions payable	9,287,323	8,583,738
	24,850,946	21,340,636
Future income taxes (note 12)	2,234,822	-
Minority unit holders' equity (note 17)	33,065,390	35,583,320
	60,151,158	56,923,956
Fund unit holders' equity (note 16)	32,133,482	34,758,310
	$ 92,284,640	$ 91,682,266

Commitments (note 18)
Guarantees (note 20)
Subsequent events (note 23)

see accompanying notes to consolidated financial statements

Consolidated Statements of Fund Unit Holders' Equity
(audited)

					un-audited			
	twelve months ended December 31				**three months ended December 31**			
	2007		**2006**		**2007**		**2006**	
Balance at beginning of period	$	34,758,310	$	34,528,213	$	34,962,827	$	37,437,477
Net earnings		9,836,119		10,213,219		3,347,260		2,779,231
Distributions to Fund Unit holders		(12,460,947)		(9,983,122)		(6,176,605)		(5,458,398)
Balance at end of period	$	32,133,482	$	34,758,310	$	32,133,482	$	34,758,310

See accompanying notes to consolidated financial statements

Consolidated Statements of Earnings and Comprehensive Income
(audited)

	twelve months ended December 31		three months ended December 31 (un-audited)	
	2007	**2006**	**2007**	**2006**
Revenue				
Hotel - rooming	$ 8,627,579	$ 7,515,704	$ 2,078,365	$ 2,030,431
Table games	8,055,372	6,949,878	2,045,494	1,855,177
Slot machines	23,289,647	20,309,591	5,897,451	5,238,639
Food & beverage services	12,490,930	10,253,216	3,551,157	3,186,757
Lease and rental	316,583	313,329	77,606	76,482
Other	4,839,793	3,951,920	1,261,677	1,097,650
	57,619,904	49,293,638	14,911,750	13,485,136
Expenses				
Cost of goods sold	4,066,786	3,674,967	1,126,508	1,071,148
Human resources	14,627,407	12,833,921	3,788,693	3,501,499
Marketing and promotions	2,209,816	1,540,423	600,308	481,366
Operating	6,349,269	5,753,629	1,599,386	1,632,108
Corporate and general administration	2,016,341	1,829,586	489,801	458,278
	29,269,619	25,632,526	7,604,696	7,144,399
Earnings before the following:	28,350,285	23,661,112	7,307,054	6,340,737
Interest charges	1,099,722	1,168,115	267,357	220,300
Future income taxes(recoveries) (note 12)	2,234,822	-	(101,497)	-
Amortization of property, plant and equipment	2,244,094	2,482,508	582,993	675,165
Amortization of licenses (note 7)	3,500,000	-	-	-
Earnings allocation to minority interest	9,435,528	9,797,270	3,210,941	2,666,041
Net earnings and comprehensive income (note 6)	$ 9,836,119	$ 10,213,219	$ 3,347,260	$ 2,779,231
Earnings per unit, basic and fully diluted	$ 2.739	$ 2.844	$ 0.932	$ 0.774

See accompanying notes to consolidated financial statements

Consolidated Statements of Cash Flows
(audited)

	twelve months ended December 31		un-audited three months ended December 31	
	2007	2006	2007	2006
Cash provided by (used for) operating activities				
Net earnings and comprehensive income	$ 9,836,119	$ 10,213,219	$ 3,347,260	$ 2,779,231
Add non-cash items:				
Future income tax expense	2,234,822	-	(101,497)	-
Amortization of licenses (note 7)	3,500,000	-	-	-
Amortization of property, plant & equipment	2,244,094	2,482,508	582,993	675,165
Allocation to minority interest	9,435,528	9,797,270	3,210,941	2,666,041
	27,250,563	22,492,997	7,039,697	6,120,437
Net changes in non-cash working capital:				
Accounts receivable	125,319	(354,330)	(349,973)	(326,632)
Inventories	(30,350)	(25,471)	(31,351)	(25,432)
Prepaid expenses	(143,973)	37,944	86,738	262,925
Accounts payable and accrued liabilities	227,088	(1,297,741)	358,597	(95,820)
	27,428,647	20,853,399	7,103,708	5,935,478
Cash provided by (used for) financing activities				
Advances (to) from related parties	(142,256)	99,970	(33,805)	115,936
Term loans advances (payments) (note 13)	2,706,370	(3,694,878)	(1,945,018)	(3,667,526)
Proceeds from collection of notes receivable	87,465	26,449	-	6,795
(Increase) decrease in restricted cash	(39,513)	(157,369)	(247,498)	(98,450)
Distributions to minority unit holders	(11,608,978)	(7,819,696)	(2,066,882)	(1,550,160)
Fund unit holder distributions	(12,101,842)	(8,151,686)	(2,154,628)	(1,615,973)
	(21,098,754)	(19,697,210)	(6,447,831)	(6,809,378)
Cash provided by (used for) investing activities				
Property, plant & equipment	(889,895)	(1,786,516)	(226,811)	(27,116)
Increase (decrease) in cash and cash equivalents	5,439,998	(630,327)	429,066	(901,016)
Opening cash and cash equivalents	7,684,671	8,314,998	12,695,603	8,585,687
Closing cash and cash equivalents	$ 13,124,669	$ 7,684,671	$ 13,124,669	$ 7,684,671
Supplemental cash flow information:				
Interest earned	$ 233,241	$ 188,493	$ 70,441	$ 116,990
Interest paid and recorded as expense	1,099,722	1,168,115	267,357	220,300

Non-monetary transaction:
Purchase of property, plant and equipment and Accounts payable and accrued liabilities have been reduced by non-cash investing activities of $8,718 ($128,530 - 2006).

See accompanying notes to financial statements

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

1. Organization Structure

Fund

Gamehost Income Fund (the "Fund") is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta and is governed by a trust agreement dated April 9, 2003 (the "Fund Agreement").

Trust

Gamehost Trust (the "Trust") is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta and is governed by a trust agreement dated April 10, 2003 (the "Trust Agreement"). All of the issued and outstanding units of the Trust are owned by the Fund. The trustees of the Trust are the trustees of the Fund.

Limited Partnership

Gamehost Limited Partnership (the "Limited Partnership") is a limited partnership formed under the laws of the Province of Alberta. The Limited Partnership owns the assets and business operations of the Fund. These assets were acquired from Service Plus Hospitality Ltd., Will Inns Ltd. and Boomtown Casino Ltd. pursuant to a Plan of Arrangement (the "Plan of Arrangement") under the Business Corporations Act (Alberta) (the "ABCA"). The Limited Partnership began operations of the Fund effective June 1, 2003.

Manager

The general partner of the Limited Partnership is Gamehost Management Inc. (the "Manager"). Pursuant to a management agreement (the "Management Agreement") between the Fund and the Manager, the administration and management of the Fund was delegated to the Manager.

Units

An unlimited number of Fund Units and Special Voting Units may be created and issued pursuant to the Fund Agreement. The Limited Partnership is authorized to issue unlimited numbers of both Class A units ("A Units") and Class B Limited Partnership units ("B Units"). The A Units are held by, and can only be issued to, the Trust. All B Units are held by the remaining partners of the Limited Partnership. There are 3,591,051 Fund Units and 3,444,800 B Units of the Limited Partnership issued and outstanding. B Units are exchangeable, on a one-for-one basis, for Fund Units. Holders of Fund Units and holders of B Units have equal voting rights.

2. Nature of Operations

The Fund's activities are currently confined to the Province of Alberta, Canada. Operations include the Boomtown Casino in Ft. McMurray, the Great Northern Casino in Grande Prairie and Service Plus Inns & Suites ("Service Plus"), a limited service hotel, also located in Grande Prairie. As a complement to Service Plus, the Fund owns a retail complex (the "Strip Mall") that leases space to separate liquor store, pub and full service restaurant operations. The three Grande Prairie operations are located adjacent to each other in fully detached facilities. The Fund is also a 40% joint venture partner in Deerfoot Inn & Casino Inc., (the "Deerfoot Joint Venture") in Calgary.

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

2. Nature of Operations (cont.)

Gaming operations of the Fund include Fund owned and operated table games and the operation of government owned slot machines lottery ticket outlets. Hotel operations of the Fund include full and limited service hotels and banquet and convention services. Food, beverage and entertainment are offered at each of the Fund's casino locations.

Management believes in a combined entertainment and hospitality model. Our model targets the entertainment seeker and social occasional gamer. Clean, inviting venues that deliver live entertainment, lounging and dining, rest and relaxation together with gaming are situated in community based locales.

It is the intent and practice of the Fund to distribute taxable income of the Fund to unit holders by way of regular monthly cash distributions.

3. Basis of Preparation

These consolidated annual financial statements ("Financial Statements") of the Fund have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP"). The preparation of these Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying notes. Actual results could differ from those estimates. The Financial Statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality.

These Financial Statements include the activities of the Fund, the Trust, the Limited Partnership with all its operating divisions, subsidiaries and the Fund's proportionate share of its joint ventures.

These Financial Statements are reported in Canadian dollars.

4. Comparative Figures

Certain prior year figures have been reclassified to conform to the current annual and quarterly method of presentation.

5. Significant Accounting Policies

<u>Principles of Consolidation</u>

These Financial Statements include the accounts of wholly owned subsidiaries, partnerships and trusts and its proportionate share of a joint venture. All significant accounts and transactions between consolidated entities are eliminated.

<u>Estimates</u>

Preparation of these Financial Statements requires management to make estimates and assumptions that affect the reported amounts and disclosure of assets and liabilities at the date of the Financial Statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from these estimates. Estimates are used when accounting for such items and matters as long-term contracts, allowance for doubtful accounts, inventory obsolescence, amortization, employee benefits, impairment of long-lived assets, accrued liabilities, intangibles, future income taxes and contingencies.

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

5. Significant Accounting Policies (cont.)

Cash and cash equivalents

Cash and cash equivalents consist of floats, bank balances and credit card accounts. US dollar balances have been converted to Canadian equivalents using exchange rates at December 31, 2007.

Inventories

Inventories are valued at the lower of cost and net realizable value, cost being determined by using the first-in, first-out method.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is based on their estimated useful life using the following rates and methods:

Land improvements	- 2% straight line
Buildings	- 4% - 5% reducing balance
Leaseholds	- 5 to 10 years straight line
Furniture, fixtures and equipment	- 20% - 45% reducing balance

Goodwill

Goodwill arose from the Asset Transfer Agreement of a Plan of Arrangement which saw the Great Northern Casino, Grande Prairie Real Estate consisting of Service Plus and the Strip Mall, Boomtown Casino and a 40% interest in the Deerfoot Joint Venture transfer to Gamehost Limited Partnership. Goodwill represents the excess of the purchase price of transferred assets over the estimated fair value of the tangible and intangible net assets acquired at the time of transfer.

Goodwill is tested for impairment at least annually and whenever events or circumstances indicate that its carrying value may not be fully recoverable. The impairment test consists of allocating goodwill to the Fund's reporting units and then comparing the carrying value of the reporting units, including goodwill, to their fair values. The Fund determines fair value using price-to-earnings multiples or discounted cash flows, whichever is the most appropriate under the circumstances. The excess of the carrying value amount over the fair value of goodwill, if any, is charged to operations in the period the impairment occurred. Impairment testing is a two step process, the first being to determine if there is indication of impairment and the second to quantify the impairment. Step one of the test indicated that no impairment has resulted during year ended December 31, 2007 thus it was not necessary to perform step 2 of the test.

Long-lived assets

Long-lived assets, such as property, plant and equipment and tangible assets with finite lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to future undiscounted cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. As at December 31, 2007, there are no events or circumstances indicating that the carrying value of long-lived assets may not be recoverable.

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

5. Significant Accounting Policies (cont.)

Revenue recognition

Revenues from gaming operations consist of the Fund's share of the gaming wins pursuant to its operating agreement with Alberta Gaming and Liquor Commission and are recognized on a daily basis.

Revenues from hotel operations and food and beverage sales are recognized when services are rendered.

Revenues from rental operations are recognized in accordance with the lease agreements.

Income taxes

Income earned by the Limited Partnership is not subject to income taxes. Partnership income is taxed directly to the limited partners of the Limited Partnership.

Income earned by the Trust as a limited partner of the Limited Partnership is subject to income taxes. The Trust has established a policy to distribute all of its taxable income to unit holders of the Trust so that the Trust will not have any liability for tax under Part I of the Tax Act in any taxation year.

Income earned by the Fund as the sole unit holder of the Trust is subject to income taxes. The Fund has established a policy to distribute all of its taxable income to the unit holders of the Fund so that the Fund will not have any liability for tax under Part I of the Tax Act in any taxation year.

On June 12, 2007, the Canadian government passed legislation that would affectively tax the distributions of certain income trusts. The Fund will be subject to these new taxes effective January 2011.

Joint venture

The Fund's investment in the Deerfoot Joint Venture is accounted for using the proportionate consolidation method.

6. Changes to Accounting Policies

The Fund adopted the Canadian Institute of Chartered Accountants ("CICA") handbook section 1506 "Accounting Changes", section 1530 "Comprehensive Income", section 3251 "Equity", section 3855 "Financial Instruments – Recognition and Measurement"," and section 3915 "Hedges".

Accounting Changes, section 1506

This section was revised by the CICA in July 2006. The section requires that: (i) voluntary changes in accounting policy are made only if they result in the financial statements providing reliable and more relevant information; (ii) changes in accounting policy are generally applied retrospectively; and (iii) prior period errors are corrected retrospectively. The revised section is effective for fiscal years beginning on or after January 1, 2007.

Implementation of the new standard had no impact on the Fund's Financial Statements.

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

6. Changes to Accounting Policies (cont.)

Comprehensive Income, section 1530

Comprehensive income is comprised of net earnings (loss) and other comprehensive income ("OCI"). OCI represents the change in capital for a period that arises from unrealized gains (losses) on available for sale securities and changes in the fair value of derivative instruments designated as cash flow hedges.

The Fund had no OCI transactions during the Year and no opening or closing balances for accumulated OCI.

Capital Disclosure, section 1535

This section specifies the disclosure of (i) the Fund's objectives, policies and processes for managing capital; (ii) quantitative data about what the Fund regards as capital; (iii) whether the Fund has complied with any capital requirements; and (iv) if the Fund has not complied, the consequences of such non-compliance.

This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. The Fund will adopt this section for its March 2008 Q1 interim reporting period and is currently evaluating the sections impact on financial statements

Equity, section 3251

This section establishes standards for presentation of capital and changes in capital during the period. It requires separate presentation of changes in unit holder's capital for the period arising from net income, OCI, contributed surplus, retained earnings, unit holders' capital and reserves. Accumulated OCI would be included in the consolidated balance sheet as a separate component of unit holders' capital.

Implementation of this new standard had no impact on the Fund's Financial Statements.

Hedges, section 3915

This section deals with when and how hedge accounting can be applied as well as the disclosure requirements. Hedge accounting enables the recording of gains, losses, revenues and expenses from derivative financial instruments in the same period as for those related to the hedged item.

Implementation of this new standard had no impact on the Fund's Financial Statements.

Financial Instruments, section 3855

This section establishes standards for the recognition and measurement of financial instruments which comprises of: financial assets, financial liabilities, derivatives and non-financial derivatives.

A financial asset is cash or a contractual right to receive cash or another financial asset, including equity from another party. A financial liability is the contractual obligation to deliver cash or another financial asset to another party.

A derivative is a financial instrument whose value changes in response to a specified variable, requires little or no net investment and is settled at a future date. An embedded derivative is a derivative that is part of a non-derivative contract and not directly related to that contract. Under this standard, embedded derivatives must be accounted for as a separate financial instrument. A non-financial derivative is a contract that can be settled net in cash or another financial instrument.

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

6. Changes to Accounting Policies (cont.)

Under this standard, all financial instruments are initially recorded at fair value and are subsequently accounted for based on one of four classifications: held for trading, held to maturity, loans and receivables or available for sale. The classification of a financial instrument depends on its characteristics and the purpose for which it was required. Fair values are based on quoted market prices available from active markets or are otherwise determined using a variety of valuation techniques and models.

Under this standard, all guarantees upon inception are required to be recognized on the balance sheet at their fair value. No subsequent re-measurement is required to fair value each guarantee at each subsequent balance sheet date unless the guarantee is considered a derivative.

Held for trading

Held for trading financial instruments are financial assets or financial liabilities that are purchased with the intention of selling or repurchasing in the near term. Any financial instrument can be designated as held for trading as long as its fair value can be reliably measured. A derivative is classified as held for trading as long as its fair value can be reliably measured. Held for trading instruments are recorded at fair value with any subsequent gains (losses) from changes in the fair value recorded directly to earnings.

All of the Fund's cash and cash equivalents including restricted cash are designated as held for trading and are recorded at their fair value.

Held to maturity

Held to maturity assets are financial assets with fixed or determinable payments and a fixed maturity that the Fund has the intent and ability to hold to maturity. These financial assets are measured at amortized cost using the effective interest method. Any gain (loss) arising from the sale of a held to maturity investment is recorded directly to earnings.

The Fund has not designated any financial instruments as held to maturity.

Loans, receivables, payables and other financial liabilities

Loans, accounts receivable, accounts payable and accrued liabilities and distributions payable and other financial liabilities are accounted for at amortized cost using the effective interest rate method. For the Fund, the measured amounts generally correspond to cost.

The fair value of term debt approximates their carrying value due to their floating interest rates.

Notes to Consolidated Financial Statements

twelve month period ended December 31, 2007

6. Changes to Accounting Policies (cont.)

Available for sale

Available for sale financial instruments are all those financial instruments that are not classified as one of the three preceding financial instruments. Available for sale financial instruments are recorded at their fair value. Any gain(loss) rising from a change in fair value is recorded in OCI and upon the sale of the instrument or other than temporary impairment, the cumulative gain(loss) is transferred into earnings.

The Fund has not designated any financial instrument as available for sale.

The methods used by the Fund in determining fair value of financial instruments are unchanged as a result of implementing the new standard.

Inventories, section 3030

This section deals with the word “cost”, either alone or as part of the phrase “lower of cost or market”. Cost is frequently used to describe how an inventory has been valued understanding that there are numerous elements or factors entering into the determination of cost.

The Fund’s method of determining cost for inventory valuation has not changed as a result of this new standard.

Upcoming Pronouncements

Inventories, section 3031

This section requires inventory to be measured at the lower of cost and net realizable value. The standard also provides guidance on the costs that can be capitalized. In addition, previous inventory write-downs must be reversed if the economic circumstances have changed to support an increased inventory value. The standard is effective for fiscal periods beginning on or after January 1, 2008. The Fund will adopt this section for its March 2008 Q1 interim reporting period and is currently evaluating the sections impact on financial statements

Financial Instruments, section 3862 and section 3863

These sections replace section 3861, Financial Instruments – Disclosure and Presentation. These new sections revise and enhance disclosure requirements, and carry forward unchanged the former section’s presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the Fund manages those risks. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures will not be restated except for any requirement to restate currency translation adjustments as part of other comprehensive income.

International Financial Reporting Standards (“IFRS”)

The Fund’s management is determining how these new accounting pronouncements will affect future year’s financial statements.

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

7. Changes to Accounting Estimates

Management changed the estimate of the useful life of gaming licenses which had been carried at their full value since the Fund's inception. The previous estimate was based on an indefinite life for the licenses. Those licenses were originally issued for a one year term which has expired. Alberta Gaming and Liquor Commission do regularly renew the licenses but is not obligated to do so. As a result management changed the estimate and fully amortized the original licenses. Current licenses have been issued for a period of three years.

8. Regulations

The Fund's gaming operations are subject to regulations imposed by the Alberta Gaming and Liquor commission. The Fund has provided letters of guarantee in favour of Alberta Gaming and Liquor Commission in the amount of $48,000 (2006 - $48,000) for the purpose of maintaining liquor licenses.

9. Restricted Cash

Restricted cash consists of progressive jackpot funds. Progressive jackpots are divided into two pots. The first and larger of the two is reserved for the eventual winner of the jackpot. The second is used to seed the next pot after a jackpot is won. The progressive jackpot funds are not available for use in general operations. Included in accounts payable is $409,886 ($370,373 – 2006) relating to progressive jackpots.

10. Note Receivable

Note Receivable	December 31	
	2007	2006
Promissory note and accrued interest	$ -	$ 87,464
Less: current portion	-	28,645
Note receivable	$ -	$ 58,819
Estimated principal repayments are:		
2007	-	28,645
2008	-	31,010
2009	-	27,809

The note receivable was paid in full in advance of the maturity date of October 20, 2009.

Notes to Consolidated Financial Statements

twelve month period ended December 31, 2007

11. Property, Plant and Equipment

2007	Cost	Accumulated Amortization	Net Book Value
Land	$ 4,396,206	$ -	$ 4,396,206
Land Improvements	1,929,649	126,547	1,803,102
Buildings	25,852,414	3,502,957	22,349,457
Buildings for lease or rent	851,708	175,330	676,378
Leaseholds	2,491,968	467,777	2,024,191
Furniture, fixtures and equipment	6,193,185	3,112,111	3,081,074
Projects in progress	770	-	770
	$ 41,715,900	$ 7,384,722	$ 34,331,178

2006	Cost	Accumulated Amortization	Net Book Value
Land	$ 3,915,757	$ -	$ 3,915,757
Land Improvements	1,929,649	88,013	1,841,636
Buildings	25,696,356	2,496,971	23,199,385
Buildings for lease or rent	851,708	139,731	711,977
Leaseholds	2,478,210	202,703	2,275,507
Furniture, fixtures and equipment	5,944,824	2,213,210	3,731,614
Projects in progress	784	-	784
	$ 40,817,287	$ 5,140,628	$ 35,676,659

Certain equipment and machines houses on premises of the Fund are provided by and owned by Alberta Gaming and Liquor Commission and have not been included in these financial statements.

12. Future Income Taxes

The Department of Finance announced proposed tax legislation which included a provision to eliminate the deduction of distributions from taxable income for certain forms of publicly traded income trusts and partnerships. The legislation was enacted law on June 12, 2007 at which time the Fund was required to give recognition to these new taxes.

The Fund accounts for income taxes using the asset and liability method. Under this method, future income taxes are recognized for all significant temporary differences between the tax and accounting treatment bases of assets and liabilities and for certain carry-forward items. Future income tax assets or liabilities are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax asset or liability will materialize. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of the enactment or substantive enactment of the change.

The Fund will not be liable for current income taxes until January 1, 2011.

Notes to Consolidated Financial Statements

twelve month period ended December 31, 2007

12. Future Income Taxes (cont.)

Future Tax		
	December 31, 2007	December 31, 2006
Future Income tax liabilities		
Property, plant and equipment	$ 2,234,822	$ -

As a result of this legislation, the Fund recorded an income tax expense and tax payable to these Financial Statements. Taxes were calculated using an implied tax rate of 31.5%.

13. Term Loans

The Fund, through the Limited Partnership, has a revolving term loan with Canadian Western Bank ("CWB"), interest on the loan floats at 1% above the CWB prime lending rate. The repayment schedule allows for interest only payments to maturity of the term loan on May 15, 2008. Security for the loan includes;

- A promissory note
- General security agreement for first charge on Service Plus, Great Northern Casino and the Strip Mall. The Net Book Value of these assets at the end of the Year is $13,983,037
- Demand collateral mortgage first charge on the total loan amount
- Assignment of rents and leases
- Assignment of all risk casualty and liability insurance

The Deerfoot Joint Venture has a term loan with CWB. The term loan has two segments:

- Segment (1) stipulates demand non-revolving terms.
- Segment (2) stipulates demand revolving terms.

Interest on both segments is 1.0% above the CWB prime lending rate. Amortization of the term loan is 15 years, regardless of prepayment and re-advance of Segment (2). The bank has the right to adjust the blended monthly payments of interest and principal to reflect changes in their prime rate.

The Fund has recorded a 40% Participating Interest in the Deerfoot Joint Venture term loan in these Financial Statements.

Term Loans		
	December 31, 2007	December 31, 2006
Authorized maximum loan amounts		
Limited Partnership demand note	$ 9,000,000	$ 9,000,000
Deerfoot Joint Venture - Segment 1	8,639,701	8,639,701
Deerfoot Joint Venture - Segment 2	800,000	800,000
	$ 18,439,701	$ 18,439,701

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

13. Term Loans (cont.)

Loan activity and end of year status	December 31, 2007	December 31, 2006
Advances (payments) during the year		
Limited Partnership demand note	$ 3,300,000	$ (2,800,000)
Deerfoot Joint Venture - Segment 1	(593,631)	(94,878)
Deerfoot Joint Venture - Segment 2	-	(800,000)
	$ 2,706,369	$ (3,694,878)
Outstanding balance		
Limited Partnership demand note	$ 5,300,000	$ 2,000,000
Deerfoot Joint Venture - Segment 1	7,803,526	8,397,157
Deerfoot Joint Venture - Segment 2	-	-
	$ 13,103,526	$ 10,397,157
Interest rate		
Limited Partnership demand note	7.00% (floating)	7.50% (floating)
Deerfoot Joint Venture - Segment 1	7.00% (floating)	6.56% (fixed)
Deerfoot Joint Venture - Segment 2	7.00% (floating)	7.00% (floating)

14. Related Party Transactions

Related party transactions are measured at the exchange amount which is the amount agreed to by related parties. Related party balances are non-interest bearing with no specific terms of repayment.

The Fund had related party transactions with the persons of David Will and Darcy Will and/or companies owned or controlled by David Will and/or Darcy Will collectively (the “Wills”). Both David Will and Darcy Will are trustees of the Fund. Together, the Wills control 45.1% of the outstanding units of all unit classes of the Fund. Transactions with the Wills include the following:

- The Fund recorded $1,061,093 ($799,546 - 2006) of management services expenses during the Year which are included under Human resources expenses. Management fees stipulated in management services agreements are based on a percentage of revenues and/or earnings before interest, taxes depreciation and amortization. At the end of the Year $2,577 ($47,602 – 2006) remained in due to/from accounts.

- The Fund recorded $315,915 ($371,517 – 2006) of charter aircraft rental expenses during the Year which are included under Operating expenses except for $11,758 which was capitalized as part of the Boomtown Casino Expansion. At the end of the Year $52,945 ($nil - 2006) remained in accounts payable. At the end of the Year $nil ($27,384 - 2006) remained in due to/from accounts.

- The Fund recorded $393,981 ($371,569 – 2006) of repairs & maintenance and other expenses during the Year which are included under Operating expenses. Amounts represent reimbursements for costs paid on behalf of the Fund. At the end of the Year $76,203 ($6,459 - 2006) remained in accounts payable. At the end of the Year $nil ($25,485 - 2006) remained in due to/from accounts.

- The Fund recorded $364,966 ($279,311 – 2006) of cash distributions during the Year on Fund Units which are included under Fund unit holders’ equity. At the end of the Year $140,118 ($129,503 - 2006) remained in Unit holder distributions payable.

Notes to Consolidated Financial Statements

twelve month period ended December 31, 2007

14. Related Party Transactions (cont.)

- The Fund recorded $10,645,266 ($8,528,484 – 2006) of cash distributions during the Year on Class B Limited Partnership Units which are included under Minority unit holders' equity. At the end of the Year $4,049,496 ($3,742,716 - 2006) remained in Unit holder distributions payable.

- The Fund recorded $45,500 ($49,500 – 2006) in trustee fees during the Year which are included under Human resources expenses. At the end of the Year $3,250 ($nil - 2006) remained in accounts payable. At the end of the Year $nil ($10,980 - 2006) remained in due to/from accounts.

- The Fund recorded $71,227 ($nil – 2006) of reductions to expenses during the Year which are included under Operating expenses. Amounts represent reimbursement for expenses paid by the Fund. At the end of the Year $3,739 ($nil - 2006) remained in accounts receivable. At the end of the Year $9,382 ($nil - 2006) remained in due to/from accounts.

- The Fund recorded $1,791 ($nil – 2006) of guest room sales during the Year which are included under Hotel – rooming revenue.

The Fund recorded $402,381 ($322,369 – 2006) of cash distributions during the Year on Fund Units to other trustees which are included under Fund unit holders' equity. At the end of the Year $153,067 ($141,471 - 2006) remained in Unit holder distributions payable.

The Fund recorded $79,641 ($67,625 – 2006) in trustee fees during the Year paid to other trustees or companies controlled by other trustees of the Fund which are included under Human resources expenses. At the end of the Year $16,000 ($nil - 2006) remained in accounts payable. At the end of the Year $nil ($18,250 - 2006) remained in due to/from accounts.

The Fund recorded $41,643 ($43,431 – 2006) in professional fees during the Year paid to companies controlled by other trustees of the Fund which are included under Operating expenses. At the end of the Year $6,750 ($1,300 - 2006) remained in accounts payable. At the end of the Year $nil ($5,750 - 2006) remained in due to/from accounts.

The Fund recorded $215,886 ($170,109 – 2006) of cash distributions during the Year on Fund Units to other officers which are included under Fund unit holders' equity. At the end of the Year $82,124 ($75,902 - 2006) remained in Unit holder distributions payable.

The Fund recorded $798,100 ($639,400 – 2006) of cash distributions during the Year on Class B Limited Partnership Units to other officers which are included under Minority unit holders' equity. At the end of the Year $303,600 ($280,600 - 2006) remained in Unit holder distributions payable.

The Fund recorded $230,000 ($nil – 2006) of management services expenses during the Year to other officers which are included under Human resources expenses.

The Fund has recorded its 40% Participating Interest Responsibility in related party transactions of the Deerfoot Joint Venture in these Financial Statements and the above note.

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

15. Distributions to Unit Holders

During the Year Trustees of the Fund approved an increase in regular monthly cash distributions of $0.05 per unit to $0.20 per unit effective the February 2007 distribution period. In December 2007, Trustees approved a special year end cash distribution of $1.12 per unit in addition to the regular monthly cash distribution.

2007 Distribution Summary

Month	Date Declared	Record Date	Payment Date	Distribution per Unit
January	15-Jan-07	31-Jan-07	15-Feb-07	$0.15
February	16-Feb-07	28-Feb-07	15-Mar-07	$0.20
March	12-Mar-07	31-Mar-07	16-Apr-07	$0.20
April	17-Apr-07	30-Apr-07	15-May-07	$0.20
May	14-May-07	31-May-07	15-Jun-07	$0.20
June	7-Jun-07	30-Jun-07	16-Jul-07	$0.20
July	5-Jul-07	31-Jul-07	15-Aug-07	$0.20
August	17-Aug-07	31-Aug-07	14-Sep-07	$0.20
September	13-Sep-07	30-Sep-07	15-Oct-07	$0.20
October	10-Oct-07	31-Oct-07	15-Nov-07	$0.20
November	13-Nov-07	30-Nov-07	14-Dec-07	$0.20
December	17-Dec-07	31-Dec-07	15-Jan-08	$1.32
Total				$3.47

2006 Distribution Summary

Month	Date Declared	Record Date	Payment Date	Distribution per Unit
January	16-Jan-06	31-Jan-06	15-Feb-06	$0.12
February	15-Feb-06	28-Feb-06	15-Mar-06	$0.12
March	14-Mar-06	31-Mar-06	17-Apr-06	$0.12
April	17-Apr-06	30-Apr-06	15-May-06	$0.15
May	15-May-06	31-May-06	15-Jun-06	$0.15
June	8-Jun-06	30-Jun-06	14-Jul-06	$0.15
July	7-Jul-06	31-Jul-06	15-Aug-06	$0.15
August	11-Aug-06	31-Aug-06	15-Sep-06	$0.15
September	11-Sep-06	30-Sep-06	16-Oct-06	$0.15
October	16-Oct-06	31-Oct-06	15-Nov-06	$0.15
November	16-Nov-06	30-Nov-06	15-Dec-06	$0.15
December	18-Dec-06	31-Dec-06	15-Jan-07	$1.22
Total				$2.78

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

16. Fund Units

The Fund is authorized to issue an unlimited number of Fund Units. There were no changes in the number of issued or outstanding Fund Units during the Year. The weighted average of equivalent units outstanding for the Year is equal to the units issued. The Fund did not have any options, warrants, rights or convertible instruments that would be potentially dilutive during the Year.

Fund Units	2007		2006	
	Units	$'s	Units	$'s
Balance at beginning of period	3,591,051	$ 34,758,310	3,591,051	$ 34,528,213
Net earnings		9,836,119		10,213,219
Distributions to Fund Unit holders		(12,460,947)		(9,983,122)
Balance at end of period	3,591,051	$ 32,133,482	3,591,051	$ 34,758,310

17. Minority Interest, Class B Limited Partnership Units

The Limited Partnership is authorized to issue an unlimited number of Class B Limited Partnership Units. There were no changes in the number of Class B Limited Partnership Units issued or outstanding during the Year.

Class B Limited Partnership Units	2007		2006	
	Units	$'s	Units	$'s
Balance at beginning of period	3,444,800	$ 35,583,320	3,444,800	$ 35,358,688
Minority interest earnings allocation		9,435,528		9,801,176
Distributions to minority interest unit holders		(11,953,458)		(9,576,544)
Balance at end of period	3,444,800	$ 33,065,390	3,444,800	$ 35,583,320

18. Commitments

Deerfoot Inn & Casino Joint Venture (the “Deerfoot Joint Venture”)

The Fund has a 47.75% Contributing Interest Responsibility to the Deerfoot Joint Venture for any capital requirements. All current capital requirements of the Deerfoot Joint Venture have been satisfied. There were no requests for capital made by the Deerfoot Joint Venture during the Year.

Management Agreements

The Fund entered into a management services agreement with Gamehost Management Inc. The management agreement stipulates that Gamehost Management Inc. is entitled to a percentage of any earnings before interest, taxes, depreciation and amortization of the Fund.

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

18. Commitments (cont.)

The Deerfoot Joint Venture entered into a management services agreement with 1016312 Alberta Ltd. The management agreement stipulates that 1016312 Alberta Ltd is entitled to a percentage of the gross revenues plus a percentage of any earnings before interest, taxes, depreciation and amortization of the Deerfoot Joint Venture.

During the Year the Fund recorded expenses under these management agreements of $1,061,093 (2006 – $799,566).

Operating Leases and service contracts

The Fund has certain commitments for equipment, services and premises rent. At December 31, 2007, the future minimum commitment payments including the Funds 40% Participating Interest Responsibility in commitments of the Deerfoot Joint Venture were as follows:

Operating Leases and service contracts	2008	2009	2010	2011	2012	Thereafter
Total	1,814,891	1,697,815	1,621,417	1,571,732	1,033,075	6,389,386

19. Financial Instruments

Fair value

The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, term loan, due to/from related parties and unit holders distributions payable approximate their carrying value due to the short-term maturities of these instruments.

The fair value of the Class B Partnership units has not been determined as it is not practical to estimate the fair value of these financial instruments with sufficient reliability.

Credit risk

The Fund, in the normal course of operations, monitors the financial condition of its customers. The Fund does not have significant exposure to any individual customer or counterparty. The Fund establishes an allowance for doubtful accounts that corresponds to the credit risk of its specific customers, historical trends or economic circumstances.

Interest rate risk

The Fund is exposed to interest rate risk on debt instruments to the extent of changes in the prime interest rate.

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

19. Financial Instruments (cont.)

Exchange rate risk

The Fund is exposed, in its normal course of operations, to exchange rate risk from foreign exchange rate fluctuations. Accounts subject to exchange rates are recorded at the exchange rate as at December 31, 2007 which may differ when the accounts are settled. Any differences in the settled amounts are recorded as part of sales, cost of sales or expenses.

It is management's opinion that the Fund is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Industry risk

Service Plus in Grande Prairie derives 80% of its business from the energy sector. As a result the Fund is exposed to industry risk at this operation.

It is management's opinion that the Fund is not exposed to significant other industry risk at the present time.

20. Guarantees

The Fund has entered into indemnification agreements with current trustees to indemnify them, to the extent permitted by law, against any and all charges, costs, expenses, amounts paid in settlement and damages incurred by the trustees and officers as a result of any lawsuit, or any judicial, administrative or investigative proceeding in which the trustees and officers are sued as a result of their service. These indemnification claims will be subject to any statutory or other legal limitation period. The nature of the indemnification agreements prevents management from making a reasonable estimate of the maximum potential amount the Fund could be required to pay counterparties. The Fund has purchased directors' and officers' liability insurance.

The Fund has granted an $11.46 million unsecured limited liability guarantee to the Deerfoot Joint Venture to indemnify it in the event the Deerfoot Joint Venture does not perform its contractual obligations. At December 31, 2007, the maximum potential liability under this guarantee was $8.6 million (2006 - $9.2 million). The Fund has not recorded a liability with respect to this guarantee, as the Fund does not expect to make any payments in excess of what is recorded on the Financial Statements for the aforementioned items. The Fund has not charged a fee to the Deerfoot Joint Venture in regards to this guarantee. No specific assets have been provided as security.

21. Investment in the Deerfoot Joint Venture

The Fund has a 40% Participating Interest Responsibility and a 47.75% Contributing Interest Responsibility in Deerfoot Inn & Casino Inc., a Joint Venture, which constructed and opened Deerfoot Inn & Casino on November 21, 2005 in Calgary, Alberta.

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

21. Investment in the Deerfoot Joint Venture (cont.)

The Fund is severally liable for all obligations of the Deerfoot Joint Venture in proportion to its Participating Interest Responsibility or Contributing Interest Responsibility as the case may be. All Deerfoot Joint Venture partners are contingently liable for obligations of the Deerfoot Joint Venture in situations where other Deerfoot Joint Venture partners are in default as defined by the Deerfoot Joint Venture Agreement. All of the assets of the Deerfoot Joint Venture are available for the purpose of satisfying any such obligation. No provision for any contingent amount payable has been accrued to these financial statements.

The following financial statements report the Fund's proportionate share of the Deerfoot Joint Venture's assets, liabilities, revenues and expenses and net income, and cash flows resulting from operating, financing and investing activities.

Participating Interest of the Fund in the Deerfoot Joint Venture Balance Sheets
(audited)

	December 31, 2007	December 31, 2006
Assets		
Current assets:		
Cash and cash equivalents	$ 5,705,123	$ 2,591,821
Restricted cash	74,956	31,424
Accounts receivable	482,292	350,336
Inventories	147,077	124,168
Prepaid expenses	95,884	120,915
	6,505,332	3,218,664
Property, plant & equipment	15,534,269	15,793,322
	$ 22,039,602	$ 19,011,986
Liabilities and joint venturer equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,114,475	$ 899,505
Term Loan	7,803,526	8,397,157
Due to related parties	-	33,082
	8,918,002	9,329,744
Joint venturer equity	13,121,600	9,682,242
	$ 22,039,602	$ 19,011,986

Notes to Consolidated Financial Statements

twelve month period ended December 31, 2007

21. Investment in the Deerfoot Joint Venture (cont.)

Participating Interest of the Fund in the Deerfoot Joint Venture

Statements of Operations

(audited)

	twelve months ended December 31		un-audited three months ended December 31	
	2007	**2006**	**2007**	**2006**
Revenue				
Hotel - rooming	$ 3,679,969	$ 2,710,998	$ 926,825	$ 799,258
Table games	3,663,473	2,614,509	937,156	675,405
Slot machines	5,582,282	3,954,691	1,523,200	1,113,727
Food & beverage services	5,166,973	4,015,400	1,595,372	1,358,267
Lease and rental	3,360	6,996	840	560
Other	1,897,779	1,207,568	517,714	362,559
	19,993,835	14,510,162	5,501,107	4,309,776
Expenses				
Cost of goods sold	1,583,812	1,416,492	456,980	434,767
Human resources	6,035,202	5,287,254	1,615,652	1,470,045
Marketing and promotions	1,232,353	826,929	339,356	276,631
Operating	1,953,542	1,781,622	475,101	484,402
General and administration	549,533	455,216	129,501	112,272
	11,354,441	9,767,513	3,016,590	2,778,117
Earnings before the following:	8,639,394	4,742,649	2,484,517	1,531,659
Interest charges	558,349	616,203	142,962	137,547
Amortization of property, plant and equipment	963,929	1,425,781	251,080	375,798
Net earnings	$ 7,117,115	$ 2,700,665	$ 2,090,475	$ 1,018,314

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

21. Investment in the Deerfoot Joint Venture (cont.)

Participating Interest of the Fund in the Deerfoot Joint Venture Consolidated Statements of Cash Flows
(audited)

	twelve months ended December 31		un-audited three months ended December 31	
	2007	2006	2007	2006
Cash provided by (used for) operations				
Net income	$ 7,117,115	$ 2,700,665	$ 2,090,475	$ 1,018,313
Add non-cash items:				
Amortization of property, plant & equipment	963,929	1,425,781	251,080	375,797
	8,081,044	4,126,446	2,341,555	1,394,110
Net changes in non-cash working capital:				
Accounts receivable	(131,957)	(53,471)	(83,948)	(136,974)
Inventories	(22,909)	7,714	(18,695)	(10,298)
Prepaid expenses	25,031	(995)	64,073	70,353
Accounts payable and accrued liabilities	184,133	(850,935)	178,235	138,430
	8,135,342	3,228,760	2,481,220	1,455,620
Financing				
Advances(payments) to/from related parties	-	(26,846)	-	(20,846)
Contributions by joint venturers	-	970,236	-	-
Net advances (repayments) on term loan	(593,631)	(894,878)	(145,018)	(150,647)
(Increase)decrease in restricted cash	(43,532)	38,222	(4,775)	(31,424)
Distributions to joint venturers	(3,680,000)	(3,040,000)	(2,600,000)	(960,000)
	(4,317,163)	(2,953,266)	(2,749,793)	(1,162,917)
Investments				
Purchase of property, plant & equipment	(704,877)	(18,020)	(150,268)	(1,362)
	(704,877)	(18,020)	(150,268)	(1,362)
Increase in cash and cash equivalents	3,113,302	257,474	(418,841)	291,341
Opening cash and cash equivalents	2,591,821	2,334,347	6,123,964	2,300,480
Closing cash and cash equivalents	$ 5,705,123	$ 2,591,821	$ 5,705,123	$ 2,591,821

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

22. Segmented Information

The Fund's operations are predominantly in the hotel accommodation and gaming industries. The Fund derives its revenues from marketing its services in Western Canada.

The hotel segment includes the operations of Service Plus, the Strip Mall and the Funds proportionate share of the Deerfoot Joint Venture's hotel operations. The gaming segment includes the operations of Great Northern Casino, Boomtown Casino and the Funds proportionate share of the Deerfoot Joint Venture's gaming operations. The food and beverage segment includes food, beverage and entertainment activity generated by all properties. Property overhead costs are allocated arbitrarily.

General Administration includes administration of the Fund, the Trust and the Limited Partnership.

Operations	twelve months at December 31			un-audited three months at December 31		
Revenue	**2007**	**2006**	**+(-)**	**2007**	**2006**	**+(-)**
Tables	8,055	6,950	15.9%	2,045	1,855	10.3%
Slots	23,290	20,310	14.7%	5,897	5,239	12.6%
Other	4,144	3,428	20.9%	1,078	958	12.5%
Gaming	35,489	30,688	15.6%	9,021	8,052	12.0%
Hotel	9,510	8,202	43.0%	2,309	2,222	(0.5%)
Food and beverage	12,491	10,253	77.0%	3,551	3,187	40.6%
Other	130	151	33.0%	31	24	(61.1%)
Total	57,620	49,294	33.0%	14,912	13,485	16.6%
Expenses						
Gaming	10,786	9,413	14.6%	2,699	2,657	1.6%
Hotel	6,167	5,608	10.0%	1,673	1,540	8.6%
Food and beverage	10,118	8,918	13.5%	2,634	2,546	3.5%
Other	2,199	1,693	29.9%	598	402	48.8%
Total	29,270	25,632	14.2%	7,605	7,145	6.4%
Earnings before interest, taxes, depreciation and amortization						
Gaming	24,704	21,275	16.1%	6,322	5,395	17.2%
Hotel	3,343	2,594	114.5%	636	682	(21.0%)
Food and beverage	2,373	1,335	501.9%	917	641	187.9%
Other	(2,069)	(1,542)	29.6%	(567)	(378)	55.8%
Total	28,350	23,662	53.4%	7,307	6,340	28.0%
Interest	1,100	1,168	100.0%	267	220	100.0%
Future Tax	2,235	-	100.0%	(101)	-	100.0%
Amortizations	5,744	2,483	131.3%	583	675	(13.6%)
Net earnings	19,272	20,011	(3.7%)	6,558	5,445	20.4%

(in thousands of dollars unless stated otherwise)

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

22. Segmented Information (cont.)

Long-lived Assets	**December 31, 2007**	**December 31, 2006**
Hotel		
Property, plant & equipment	17,154	16,855
Casino		
Goodwill and licenses	42,579	46,079
Property, plant & equipment	16,853	16,395
	59,432	62,474
Food & Beverage		
Property, plant & equipment	7,543	7,402
General Administration		
Property, plant & equipment	165	165
Work in progress	1	1
	166	166
Total		
Goodwill and licenses	42,579	46,079
Property, plant & equipment	41,715	40,817
Work in progress	1	1
	84,295	86,897

Long-lived Assets at NBV [1]	**December 31, 2007**	**December 31, 2006**
Hotel	18,716	19,195
Casino	51,234	55,460
Food & Beverage	6,960	7,092
General Administration	-	9
	76,910	81,756

(in thousands of dollars unless stated otherwise)

[1] NBV (Net Book Value)

Notes to Consolidated Financial Statements
twelve month period ended December 31, 2007

23. Subsequent Events

Distributions.

2008 Subsequent Distribution Summary

Month	Date Declared	Record Date	Payment Date	Distribution per Unit
January	17-Jan-08	31-Jan-08	14-Feb-08	$0.20
February	12-Feb-08	29-Feb-08	14-Mar-08	$0.20

Calgary West Hospitality Inc.

Calgary West Hospitality Inc. has reached an agreement to purchase the assets and gaming license of the new Stampede Casino from Calgary Exhibition and Stampede Ltd. Further to the purchase and sale agreement, Calgary West Hospitality Inc. has agreed to a long term lease agreement with Calgary Exhibition and Stampede Ltd. for the land on which the new Stampede Casino is being constructed. Subsequent to receiving approval on the sale and transfer of the Stampede Casino gaming license on January 17, 2007 Calgary West Hospitality removed the final remaining condition on the sale from the purchase and sale agreement. Financing for the purchase arranged by Calgary West Hospitality Inc. is pending completion and execution of the loan documents with Bank of Montreal. Calgary West Hospitality Inc. invited the Fund to take a 20% interest in a joint venture (the "Stampede Joint Venture") to be formed for the ownership and operation of the new Stampede Casino. Trustees of the Fund approved the Fund's participation in the joint venture on December 11, 2007. For its part. The Fund is responsible for an approximate 21.3% Contributing Interest Responsibility to receive a 20% Participating Interest Responsibility in the revenues, expenses, assets and liabilities of the Stampede Joint Venture. Financing for the Fund's Contributing Interest Responsibility has been arranged through Canadian Western Bank ("CWB") in the form of a revolving demand loan to a maximum amount of $6.0 million. Interest on the loan is at CWB prime rate. The Fund took a $3.0 million advance on this loan January 28, 2007 for an initial cash call by the Stampede Joint Venture to close the deal. The Fund will convert an existing $9.0 million revolving demand loan to a traditional mortgage at CWB. Terms of the mortgage include interest at 1.0% above CWB prime lending rate with scheduled monthly payments over 15 years.

The new Stampede Casino is currently under construction with a target opening of June 2008.