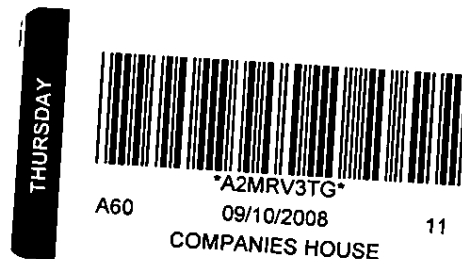


OCEANA RETAIL HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008



Horwath Clark Whitehill LLP
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OCEANA RETAIL HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

S Lewis
M Lewis
R S P Davies (resigned 31/12/07)
P Press
S Aaron

COMPANY SECRETARY

J A Fester

COMPANY NUMBER

2595720

REGISTERED OFFICE

Park Lorne
111 Park Road
London
NW8 7JL

AUDITORS

Horwath Clark Whitehill LLP
Chartered Accountants & Registered Auditors
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

BANKERS

National Westminster Bank Plc
250 Regent Street
London
W1A 4RY

OCEANA RETAIL HOLDINGS LIMITED

CONTENTS

Page

Directors' report 1 - 2

Independent auditors' report 3 - 4

Profit and loss account 5

Statement of total recognised gains and losses 6

Balance sheet 7

Notes to the financial statements 8 - 13

OCEANA RETAIL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

The directors present their report and the financial statements for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The company operates as an investment company

DIRECTORS

The directors who served during the year and their interests in the Company's issued share capital were

	Ordinary shares of £1 each	
	31/3/08	1/4/07
S Lewis	-	-
M Lewis	-	-
R S P Davies (resigned 31/12/07)	-	-
P Press	-	-
S Aaron	-	-

At 31 March 2008 and 1 April 2007, M Lewis was interested in 659,154,355 shares in Oceana Investment Corporation Limited (in member's voluntary liquidation), the parent company registered in England and Wales

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual report and 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 of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgments 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company contributed £391,450 (2007: £316,660) to various charities and made no political contributions in either this or the preceding financial year.

PROVISION OF INFORMATION TO AUDITORS

OCEANA RETAIL HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2008**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information

AUDITORS

The auditors, Horwath Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

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

This report was approved by the board and signed on its behalf.



M Lewis
Director

Date 19/9/2008

OCEANA RETAIL HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OCEANA RETAIL HOLDINGS LIMITED

We have audited the financial statements of Oceana Retail Holdings Limited for the year ended 31 March 2008, set out on pages 5 to 13. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007)

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 Auditors' 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 DIRECTORS AND AUDITORS

The directors' 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 directors' 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 Directors' 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 Directors' 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

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

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the following circumstances

- In common with many other businesses of this size and nature, the company uses our firm to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements

OCEANA RETAIL HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OCEANA RETAIL HOLDINGS LIMITED

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 Directors' Report is consistent with the financial statements

Horwath Clark Whitehill LLP

HORWATH CLARK WHITEHILL LLP

Chartered Accountants
Registered Auditors

London

Date. *24 September 2008*

OCEANA RETAIL HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008**

	Note	2008 £	2007 £
Administrative expenses		(4,631,938)	(2,482,935)
Other operating income	2	173,333	240,010
Other operating charges		-	1,787,532
		<hr/>	<hr/>
OPERATING LOSS	3	(4,458,605)	(455,393)
Income from other fixed asset investments		169,553	476,358
Amounts written off investments		(242,341)	(1,077,532)
Profit/(loss) on disposal of investments		-	(3,611,038)
Interest receivable		1,239,363	1,234,544
Interest payable		(579)	(1,614)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,292,609)	(3,434,675)
Tax on loss on ordinary activities	5	(6,000)	-
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	11	<u>(3,298,609)</u>	<u>(3,434,675)</u>

The notes on pages 8 to 13 form part of these financial statements

OCEANA RETAIL HOLDINGS LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2008**

	2008	2007
	£	£
LOSS FOR THE FINANCIAL YEAR	(3,298,609)	(3,434,675)
Unrealised surplus/(deficit) on revaluation of fixed asset investments	<u>49,630</u>	<u>(451,932)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>(3,248,979)</u></u>	<u><u>(3,886,607)</u></u>

The notes on pages 8 to 13 form part of these financial statements

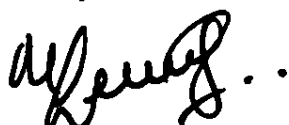
OCEANA RETAIL HOLDINGS LIMITED

**BALANCE SHEET
AS AT 31 MARCH 2008**

	Note	£	2008 £	£	2007 £	£
FIXED ASSETS						
Tangible fixed assets	6		247,630		126,954	
Fixed asset investments	7		1,997,616		13,986,665	
			<u>2,245,246</u>		<u>14,113,619</u>	
CURRENT ASSETS						
Debtors	8	211,963		1,760,603		
Cash at bank and in hand		14,166,442		1,451,986		
			<u>14,378,405</u>		<u>3,212,589</u>	
CREDITORS: amounts falling due within one year	9	(225,307)		(1,019,485)		
NET CURRENT ASSETS			<u>14,153,098</u>		<u>2,193,104</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,398,344</u>		<u>16,306,723</u>	
Defined benefit pension scheme liability	13		<u>(3,340,600)</u>		<u>-</u>	
NET ASSETS INCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			<u><u>13,057,744</u></u>		<u><u>16,306,723</u></u>	
CAPITAL AND RESERVES						
Called up share capital	10		20,000,000		20,000,000	
Revaluation reserve	11		37,350		(12,280)	
Profit and loss account	11		<u>(6,979,606)</u>		<u>(3,680,997)</u>	
SHAREHOLDERS' FUNDS			<u><u>13,057,744</u></u>		<u><u>16,306,723</u></u>	

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



M Lewis
Director

Date 19/4/2008

The notes on pages 8 to 13 form part of these financial statements

OCEANA RETAIL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, modified by the revaluation of fixed asset investments, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

1.2 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2007)

1.3 Investments

Listed investments are stated at middle market prices at the balance sheet date. Unlisted investments are valued by the directors at the year end where no quoted price exists for them. The excess over cost of such valuations (if any) is credited to a revaluation reserve. Any provision for permanent diminution in value below cost is charged to the profit and loss account. On disposal of a revalued investment, the gain or loss from the last revaluation is taken to the profit and loss account in the current year and a resulting transfer made from the revaluation reserve to distributable reserves.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property improvements-	5%	Lease term
Motor vehicles	- 20%	straight line
Computer equipment	- 33 3%	straight line

1.5 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

OCEANA RETAIL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

1. ACCOUNTING POLICIES (continued)

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 2 June 2008

1.8 Fixed asset investments

Listed investments are stated at middle market prices at the balance sheet date. Unlisted investments are valued by the directors at the year end where no quoted price exists for them. The excess over cost of such valuations (if any) is credited to a revaluation reserve. Any provision for permanent diminution in value below cost is charged to the profit and loss account. On disposal of a revalued investment, the gain or loss from the last revaluation is taken to the profit and loss account in the current year and a resulting transfer made from the revaluation reserve to distributable reserves.

1.9 Investment income

Interest from fixed interest securities and bank deposits is taken to income on the accruals basis. Franked investment income received is inclusive of the related tax credit.

2. OTHER OPERATING INCOME

	2008 £	2007 £
Other operating income	<u>173,333</u>	<u>240,010</u>

3. OPERATING LOSS

The operating loss is stated after charging

	2008 £	2007 £
Depreciation of tangible fixed assets		
- owned by the company	49,038	22,124
Auditors' remuneration	9,050	10,965
Pension costs	<u>3,409,423</u>	<u>91,103</u>

OCEANA RETAIL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

4. DIRECTORS' REMUNERATION

	2008 £	2007 £
Aggregate emoluments	<u>637,858</u>	<u>693,135</u>

During the year retirement benefits were accruing to 1 director (2007 - NIL) in respect of defined benefit pension schemes

5. TAXATION

	2008 £	2007 £
UK corporation tax charge on loss for the year	<u>6,000</u>	<u>-</u>

There were no factors that may affect future tax charges

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost				
At 1 April 2007	101,894	29,750	40,675	172,319
Additions	-	163,344	29,439	192,783
Disposals	(1,894)	(29,750)	(37,071)	(68,715)
At 31 March 2008	<u>100,000</u>	<u>163,344</u>	<u>33,043</u>	<u>296,387</u>
Depreciation				
At 1 April 2007	-	14,000	31,365	45,365
Charge for the year	6,450	31,271	11,317	49,038
On disposals	-	(15,750)	(29,896)	(45,646)
At 31 March 2008	<u>6,450</u>	<u>29,521</u>	<u>12,786</u>	<u>48,757</u>
Net book value				
At 31 March 2008	<u>93,550</u>	<u>133,823</u>	<u>20,257</u>	<u>247,630</u>
At 31 March 2007	<u>101,894</u>	<u>15,750</u>	<u>9,310</u>	<u>126,954</u>

7. FIXED ASSET INVESTMENTS

OCEANA RETAIL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

	Listed invest- ments £	Other invest- ments £	Total £
Cost or valuation			
At 1 April 2007	1,378,279	12,608,386	13,986,665
Additions	773,980	-	773,980
Disposals	-	(12,909,314)	(12,909,314)
Foreign exchange movement	-	341,128	341,128
Revaluations	49,630	-	49,630
Amounts written off	(242,341)	(2,132)	(244,473)
At 31 March 2008	<u>1,959,548</u>	<u>38,068</u>	<u>1,997,616</u>

Listed investments

The market value of the listed investments at 31 March 2008 was £1,959,548 (2007 - £1,378,279)

8. DEBTORS

	2008 £	2007 £
Trade debtors	4,276	3,859
Amounts owed by group undertakings	-	141,610
Other debtors	207,687	1,615,134
	<u>211,963</u>	<u>1,760,603</u>

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

	2008 £	2007 £
Bank loans and overdrafts	17,831	-
Trade creditors	75,077	46,673
Amounts owed to group undertakings	48,191	-
Corporation tax	6,000	-
Social security and other taxes	26,992	-
Other creditors	51,216	972,812
	<u>225,307</u>	<u>1,019,485</u>

OCEANA RETAIL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

10. SHARE CAPITAL

	2008 £	2007 £
Authorised		
50,000,000 Ordinary shares of £1 each	50,000,000	50,000,000
50,000,000 5% Preference shares of £1 each	50,000,000	50,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
Allotted, called up and fully paid		
20,000,000 Ordinary shares of £1 each	<u>20,000,000</u>	<u>20,000,000</u>

11. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 April 2007	(12,280)	(3,680,997)
Loss for the year		(3,298,609)
Movement on revaluation reserve during the year	49,630	
	<u>37,350</u>	<u>(6,979,606)</u>
At 31 March 2008		

The closing balance on the Profit and loss account includes a £3,340,600 (2007 - £NIL) debit, stated after deferred taxation of £NIL (2007 - £NIL), in respect of pension scheme liabilities of the company pension scheme

12. CONTINGENT LIABILITIES

Oceana Retail Holdings Limited has executed a guarantee in favour of ING Bank securing the obligations of a former group undertaking (Gaucho Nederland BV) in respect of facilities provided to that company by ING Bank. The amount of the facility amounted to € 6million

13. PENSION COMMITMENTS

The company contributes to employee personal pension schemes. The pension cost charge representing these contributions payable by the company amounted to £27,573 (2007 £91,103)

The company operates a defined benefit pension scheme, which is unfunded.

The pension cost and provision for the year ending 31 March 2008 are based on the advice of a professionally qualified actuary. The most recent formal valuation is dated 2 June 2008

The contribution made for the year ended 31 March 2008 was £41,250. The agreed contribution rate for future years is NIL%

OCEANA RETAIL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

13. PENSION COMMITMENTS (continued)

The assets in the scheme were:

	Value at 2008 £
Present value of scheme liabilities	<u>(3,340,600)</u>
Deficit in the scheme	<u>(3,340,600)</u>
Net pension liability	<u><u>(3,340,600)</u></u>

	2008 £
Movements in (deficit)/surplus during the year:	
Contributions	41,250
Past service cost	<u>(3,381,850)</u>
(Deficit)/surplus in scheme at end of year	<u><u>(3,340,600)</u></u>

14. OPERATING LEASE COMMITMENTS

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows.

	2008 £	2007 £
Expiry date:		
Between 2 and 5 years	<u>91,470</u>	<u>91,470</u>

15. RELATED PARTY TRANSACTIONS

During the year the company acquired investments of £190,384 (2007 £NIL) from its parent company, all at market value

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors consider Oceana Investment Corporation Limited (in member's voluntary liquidation) to be the company's ultimate parent company