

DUNWILCO (1021) LIMITED
REPORT AND FINANCIAL STATEMENTS
30 NOVEMBER 2008



DUNWILCO (1021) LIMITED
DIRECTORS' REPORT
YEAR ENDED 30 NOVEMBER 2008

The directors present their report and the financial statements for the year ended 30 November 2008

PRINCIPAL ACTIVITY

The principal activity of the company is to act as a limited partner in Unicycle, L P ("Unicycle"), a Delaware limited partnership. Unicycle's principal activity is property investment.

DIRECTORS

The directors who served during the year were as follows

P C Kasch
K Scott (resigned 31 May 2009)

AUDITORS

The auditors, Horwath Clark Whitehill LLP, will retire at the forthcoming Annual General Meeting and offer themselves for re-appointment.

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

By Order of the Board


P C KASCH

Director

DUNWILCO (1021) LIMITED

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 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 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

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
DUNWILCO (1021) LIMITED**

We have audited the financial statements of Dunwilco (1021) Limited for the year ended 30 November 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 10. These financial statements have been prepared under 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 shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an 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 shareholders 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. However the evidence available to us was limited because we have not been able to confirm the recoverability of the £17,301,543 of amounts owed by Unicycle, L P (see note 5).

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 Standard - Provisions Available for Small Entities. 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.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
DUNWILCO (1021) LIMITED (CONTINUED)**

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence of recoverability of the amounts owed by Unicycle, L P indicated above, 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 30 November 2008 and of its profit 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

In respect of the limitation on our work relating to the recoverability of the amounts owed by Unicycle, L P we have not obtained all the information and explanations that we considered necessary for the purpose of our audit

Emphasis of matter – Going Concern

In forming our opinion, which is not qualified in this respect, we have considered the adequacy of the disclosure made in note 1a concerning the preparation of the financial statements on the going concern basis

Horwath Clark Whitehill LLP
HORWATH CLARK WHITEHILL LLP

Chartered Accountants and Registered Auditors

London

7 April 2010

DUNWILCO (1021) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2008

	Notes	2008 £	2007 £
TURNOVER	1c	28,409	<i>822,592</i>
Interest payable – corporation tax		<u>(30,094)</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(1,685)	<i>822,592</i>
Tax on (loss)/profit on ordinary activities	3	<u>2,889,830</u>	<u><i>(389,141)</i></u>
PROFIT FOR THE FINANCIAL YEAR		2,888,145	<i>433,451</i>
Profit and loss account brought forward		<u>786,603</u>	<u><i>353,152</i></u>
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		<u>3,674,748</u>	<u><i>786,603</i></u>

The profit and loss account contains all gains and losses recognised in the above current year and previous year and the profit for the financial year represents the only movement in shareholders' funds during those years

The related notes 1 to 10 form part of these financial statements.

DUNWILCO (1021) LIMITED
BALANCE SHEET
30 NOVEMBER 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Investment in subsidiary undertaking	4	<u>49,856,266</u>	<u>49,856,266</u>
CURRENT ASSETS			
Debtors	5	17,301,544	17,273,135
CREDITORS: amounts falling due within one year	6	<u>(12,285,014)</u>	<u>(15,144,750)</u>
NET CURRENT ASSETS		<u>5,016,530</u>	<u>2,128,385</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		54,872,796	51,984,651
CREDITORS amounts falling due after more than one year	7	<u>(51,198,047)</u>	<u>(51,198,047)</u>
NET ASSETS		<u>3,674,749</u>	<u>786,604</u>
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Profit and loss account		<u>3,674,748</u>	<u>786,603</u>
SHAREHOLDERS' FUNDS		<u>3,674,749</u>	<u>786,604</u>

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 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 on 6 April 2010 and were signed on its behalf by



P C KASCH

Director

The related notes 1 to 10 form part of these financial statements

DUNWILCO (1021) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are prepared under the historic cost convention, in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the going concern basis

In preparing the financial statements on the going concern basis the directors have paid due regard to the recoverability of amounts owed by Unicycle, L P (see notes 4 and 5) and the contingent liability as detailed in note 10

The company has taken advantage of the exemption from preparing group financial statements conferred by section 248 of the Companies Act 1985, thus the financial statements present information about the company only and not of its group

b) Investments

Investments are stated at cost, less provision for any impairment in value

c) Turnover

Turnover represents the company's share of the results of Unicycle, L P

2. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2008	2007
	£	£

Directors' emoluments	-	-
-----------------------	---	---

The company's audit fee is borne by a fellow group undertaking

3 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

Corporation tax- current year (see (a) below)	18,286	259,890
Corporation tax- under provision in prior years	26,173	129,251
Amounts receivable from fellow group undertaking Cross Autonomy Limited in respect of capital losses to be utilised	<u>(2,934,289)</u>	<u>-</u>
	<u>(2,889,830)</u>	<u>389,141</u>

a) Factors affecting tax charge for year

The tax assessed for the year is different than the standard rate of corporation tax in the UK The differences are explained below

	2008	2007
	£	£
(Loss)/profit on ordinary activities before tax	<u>(1,685)</u>	<u>822,592</u>
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK	(483)	246,778
Effect of		
Transfer pricing adjustments	59,354	13,112
Group relief	<u>(40,585)</u>	<u>-</u>
Corporation tax charge for year	<u>18,286</u>	<u>259,890</u>

DUNWILCO (1021) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 NOVEMBER 2008

4. INVESTMENT IN SUBSIDIARY UNDERTAKING		£
Cost		
1 December 2007 and 30 November 2008		<u>51,198,047</u>
Provision		
1 December 2007 and 30 November 2008		<u>1,341,781</u>
Net Book Value:		
30 November 2008		<u>49,856,266</u>
<i>30 November 2007</i>		<u><i>49,856,266</i></u>
On 23 July 2003 the company acquired the limited partnership interests in Unicycle, L P ("Unicycle"), a Delaware limited partnership. Unicycle's principal activity is property investment. Unicycle had a profit on ordinary activities before and after taxation for the year ended 30 November 2008 of £28,696 (2007 £830,901) and net assets at that date of £50,359,865 (2007 £50,359,865).		
5 DEBTORS:	2008	2007
Amounts falling due within one year	£	£
Amounts owed by Unicycle, L P	17,301,543	<i>17,273,134</i>
Called up share capital unpaid	1	<i>1</i>
	<u>17,301,544</u>	<u><i>17,273,135</i></u>
6. CREDITORS:		
Amounts falling due within one year		
Corporation tax	433,521	<i>396,895</i>
Accruals	30,094	-
Amount owed to immediate parent undertaking	11,821,399	<i>11,813,566</i>
Amount owed to fellow subsidiary undertaking - Cross Autonomy Limited	-	<i>2,934,289</i>
	<u>12,285,014</u>	<u><i>15,144,750</i></u>
7. CREDITORS.		
Amounts falling due after more than one year		
Amounts owed to immediate parent undertaking	<u>51,198,047</u>	<u><i>51,198,047</i></u>
8. SHARE CAPITAL		
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u><i>1,000</i></u>
Allotted, called up and unpaid		
1 Ordinary shares of £1	<u>1</u>	<u><i>1</i></u>

DUNWILCO (1021) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 NOVEMBER 2008

9. PARENT UNDERTAKINGS

The directors consider Oldvine Limited ("Oldvine") to be the company's immediate parent undertaking and Oldvine's immediate parent undertaking, Continental Shelf 291 Limited ("CS 291"), to be the company's ultimate parent undertaking

Neither Oldvine nor CS 291 prepare consolidated financial statements

10. CONTINGENT LIABILITY

The corporation tax liabilities and associated accrued interest of a fellow group undertaking, Cross Autonomy Limited ("CAL"), in respect of certain previous accounting periods remain unpaid. At 30 November 2008 the total amount of such liabilities and accrued interest outstanding was approximately £6,400,000. Subsequent to that date none of the amounts outstanding have been settled and interest has continued to accrue on those amounts.

HMRC have advised CAL that they are considering the provisions of Section 190 of TCGA 1992 in respect of the amounts outstanding such that a notice requiring payment of the unpaid amounts may be served upon the company and accordingly there exists a contingent liability for the company.
