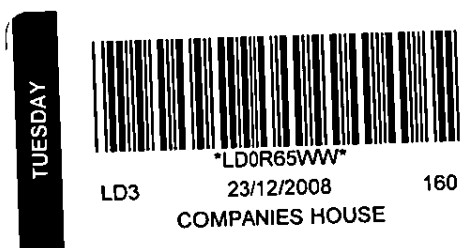


**OLDVINE LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**30 NOVEMBER 2007**



Horwath Clark Whitehill LLP  
*Chartered Accountants*  
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**OLDVINE LIMITED  
DIRECTORS' REPORT  
YEAR ENDED 30 NOVEMBER 2007**

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The directors present their report and the financial statements for the year ended 30 November 2007.

**PRINCIPAL ACTIVITY**

The principal activity of the company is property investment.

**DIRECTORS**

The directors who served during the year were as follows:

B S Anderson  
P C Kasch  
J C McMahon  
S A J Nahun  
G C Sellar  
M R Turner

**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

K SCOTT   
  
Company Secretary

5TH DECEMBER 2008

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# **OLDVINE LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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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.

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**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF  
OLDVINE LIMITED**

We have audited the financial statements of Oldvine Limited for the year ended 30 November 2007 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 £51,715,199 loans to subsidiary undertakings and the £31,552,334 of amounts owed by group undertakings (see notes 4 and 5 respectively).

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  
OLDVINE 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 loans to subsidiary undertakings and the amounts owed by group undertakings 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 2007 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.

In respect of the limitation on our work relating to the recoverability of the loans to subsidiary undertakings and the amounts owed by group undertakings we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

**Emphasis of matter**

In forming our opinion on the financial statements we have considered the adequacy of the disclosures made in note 10 to the financial statements concerning any liability that may arise from the company's past corporation tax returns. The ultimate outcome of this matter is, to an extent, dependent upon a case currently before the Court of Appeal. Our opinion is not qualified in respect of this matter.

*Horwath Clark Whitehill LLP*

**HORWATH CLARK WHITEHILL LLP**

Chartered Accountants and Registered Auditors

London

*19 December 2008*

**OLDVINE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 NOVEMBER 2007**

	Notes	2007 £	2006 £
<b>TURNOVER</b>		<b>(17,414)</b>	<b>(18,811)</b>
Administrative expenses		<u>(591,379)</u>	<u>(42,412)</u>
<b>OPERATING LOSS</b>	2	<b>(608,793)</b>	<b>(61,223)</b>
Loss on disposal of investment properties		-	(12,778)
Other interest receivable and similar income		<u>258,463</u>	<u>204,168</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(350,330)</b>	<b>130,167</b>
Tax on (loss)/profit on ordinary activities	3	<u>(74,059)</u>	<u>3,833</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(424,389)</b>	<b>134,000</b>
Profit and loss account brought forward		<u>141,472</u>	<u>7,472</u>
<b>PROFIT AND LOSS ACCOUNT CARRIED FORWARD</b>		<u><b>(282,917)</b></u>	<u><b>141,472</b></u>

The profit and loss account contains all the gains and losses recognised in the current year and previous year. The (loss)/profit for the financial year and the shares issued as detailed in note 7 are the only movements in shareholders' funds during those years.

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

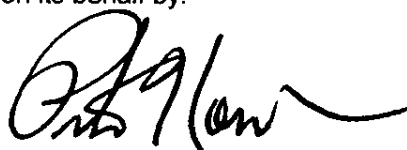
**OLDVINE LIMITED**  
**BALANCE SHEET**  
**30 NOVEMBER 2007**

	Notes	2007 £	2006 £
<b>FIXED ASSETS</b>			
Investment in subsidiary undertakings	4	<u>51,794,098</u>	<u>51,794,098</u>
<b>CURRENT ASSETS</b>			
Debtors	5	32,033,003	32,349,362
Cash at bank and in hand		<u>4,729,005</u>	<u>4,261,433</u>
		<b>36,762,008</b>	<b>36,610,795</b>
<b>CREDITORS: amounts falling due within one year</b>	6	<u>(68,589,023)</u>	<u>(68,913,421)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(31,827,015)</u>	<u>(32,302,626)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>19,967,083</u>	<u>19,491,472</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	20,250,000	19,350,000
Profit and loss account		<u>(282,917)</u>	<u>141,472</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>19,967,083</u>	<u>19,491,472</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 **5TH DECEMBER 2008** and were signed on its behalf by:

P C KASCH



} Director

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

**OLDVINE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 NOVEMBER 2007**

**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. Notwithstanding the company's net current liabilities the directors consider the going concern basis to be appropriate because the company's fellow group undertakings have confirmed that they will not call for repayment of the amounts owed to them within the twelve months following the date these financial statements are approved.

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) Investment in subsidiary undertakings**

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

**2. OPERATING LOSS**

	2007	2006
	£	£
Is arrived at after charging:		
Auditors' remuneration - audit fees	19,000	19,000
Directors' emoluments	-	-
	<u>          </u>	<u>          </u>

**3. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES**

Provision for receipts from fellow group undertakings in respect of losses to be surrendered (see note 8)	-	(3,833)
Corporation tax (see below)	74,059	-
	<u>74,059</u>	<u>(3,833)</u>

**Factors affecting the tax charge for the year:**

The corporation tax charge for the year is different than the standard rate of corporation tax. The differences are explained below:

(Loss)/profit on ordinary activities before taxation	(350,330)	130,167
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax	(105,099)	39,050
Transfer pricing adjustments	273,366	277,830
Utilised losses brought forward	-	(320,713)
Losses claimed	(94,208)	3,833
	<u>74,059</u>	<u>-</u>

At 30 November 2007 the company had tax losses carried forward for corporation tax purposes of approximately £650,000 (2006: £800,000).



**OLDVINE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 30 NOVEMBER 2007**

**4. INVESTMENT IN SUBSIDIARY UNDERTAKINGS**

	Equity £	Loans £	Total £
Cost:			
1 December 2006 and 30 November 2007	<u>3,975,232</u>	<u>51,715,199</u>	<u>55,690,431</u>
Provision:			
1 December 2006 and 30 November 2007	<u>3,896,333</u>	<u>-</u>	<u>3,896,333</u>
<b>Net book value:</b>			
<b>30 November 2007</b>	<u><b>78,899</b></u>	<u><b>51,715,199</b></u>	<u><b>51,794,098</b></u>
<i>30 November 2006</i>	<u><i>78,899</i></u>	<u><i>51,715,199</i></u>	<u><i>51,794,098</i></u>

At 30 November 2007 the company had the following subsidiary undertakings all of which are wholly owned:

	Profit for the Year Ended 30 November 2007 After Taxation £	Capital and Reserves at 30 November 2007 £
Dunwilco (1054) Limited ("D1054")	4,148	20,312
Dunwilco (1021) Limited ("D1021")	433,451	786,604
Brookridge Properties Limited ("BPL")	20,815	59,727
Unicycle L.P. ("Unicycle")	830,901	50,359,865
Cross Autonomy Limited ("CAL")	293	(8,412)

The principal activity of D1021 and D1054 is the holding of the entire limited and general partnership interests in Unicycle, a partnership registered in Delaware, USA whose principal activity is property investment.

The principal activity of BPL is that of property investment.

The company directly owns D1054, D1021, BPL and CAL and indirectly owns Unicycle via its interests in D1054 and D1021. The results and net assets of Unicycle are reflected in the table above within D1054 and D1021.

**OLDVINE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 30 NOVEMBER 2007**

5. DEBTORS	2007 £	2006 £
Trade debtors	-	19,942
Amounts owed by group undertakings (note 8)	31,552,334	31,552,437
Other debtors	480,669	776,983
	<u>32,033,003</u>	<u>32,349,362</u>
 6. CREDITORS: amounts falling due within one year		
Amounts owed to group undertakings (note 8)	68,092,238	67,831,537
Corporation tax	74,059	-
Other creditors	422,726	1,081,884
	<u>68,589,023</u>	<u>68,913,421</u>
 7. SHARE CAPITAL		
Authorised, allotted, called up and fully paid:		
8,118,750 Ordinary 'A' shares of £1 each	8,118,750	8,118,750
8,118,750 Ordinary 'B' shares of £1 each	8,118,750	8,118,750
1,012,500 Ordinary 'C' shares of £1 each	1,012,500	112,500
3,000,000 Ordinary 'D' shares of £1 each	3,000,000	3,000,000
	<u>20,250,000</u>	<u>19,350,000</u>

The rights of all categories of £1 Ordinary shares are identical. During the year 900,000 Ordinary 'C' £1 shares were issued for total consideration of £900,000.

**OLDVINE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 30 NOVEMBER 2007**

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**8. RELATED PARTY TRANSACTIONS**

**a. Non group undertakings**

P C Kasch is a member of Catalyst Capital LLP ("Catalyst"). £110,333 (2006: £Nil) of asset management fees and £94,932 (2006: £Nil) of monitoring fees payable to Catalyst accrued during the year and these amounts are included within other creditors at 30 November 2007.

B S Anderson is a director of Uberior Ventures Limited ("Uberior"), a subsidiary undertaking of the Bank of Scotland ("BOS"). All amounts disclosed in the accounts which relate to bank interest and bank balances are in respect of the BOS.

**b. Group undertakings**

The full names for the entities referred to in this section are detailed in note 4.

Amounts owed by group undertakings (note 5) is analysed as follows:	<b>2007</b> £	<b>2006</b> £
CS291	15,979,155	15,979,258
D1054	106,501	106,501
D1021	11,813,566	11,813,566
CAL	3,653,112	3,653,112
	<u>31,552,334</u>	<u>31,552,437</u>

Amounts owed to group undertakings (note 6)  
is analysed as follows:

CS292	280	177
BPL	752,228	732,235
Unicycle	67,339,730	67,099,125
	<u>68,092,238</u>	<u>67,831,537</u>

During the year the following receipts were recorded in respect of group relief surrendered to the following entities (note 3):

CAL	<u>-</u>	<u>3,833</u>
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**OLDVINE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 30 NOVEMBER 2007**

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**8. RELATED PARTY TRANSACTIONS (CONTINUED)**

The following long-term loans (see note 4) were outstanding from group undertakings at the beginning and end of the year	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
D1021	<b>51,198,047</b>	<b>51,198,047</b>
D1054	<b>517,152</b>	<b>517,152</b>
	<b><u>51,715,199</u></b>	<b><u>51,715,199</u></b>

In addition to the above the company processes transactions on a day to day basis through its bank account on behalf of Unicycle and BPL. Unicycle and BPL do not have bank accounts of their own.

**9. ULTIMATE PARENT UNDERTAKING**

Continental Shelf 291 Limited ("CS 291") is the company's immediate and ultimate parent undertaking.

CS 291 does not prepare consolidated financial statements.

**10. CONTINGENT LIABILITIES AND CORPORATION TAX**

The corporation tax affairs of the company for a number of past years have not yet been agreed with HMRC and the company's ultimate parent undertaking has undertaken to meet any additional unprovided liabilities of the company that may arise when these matters are finally determined. These liabilities will, to an extent, be dependent on the outcome of a case currently before the Court of Appeal which concerns the availability of capital losses of a fellow group undertaking to extinguish otherwise taxable capital profits. The directors, based upon professional advice, do not believe any unprovided taxation liabilities exist. The directors do not believe it is practicable to meaningfully quantify the amounts that may be involved.

The calculation of the company's corporation tax expense and liability necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until a formal resolution has been reached with the relevant tax authorities.

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