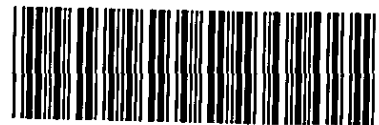


DUNE INTERNATIONAL LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JULY 2006

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COMPANIES HOUSE

DUNE INTERNATIONAL LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | Daniel R Rubin Barry R Marshall |
| Secretary | Barry R Marshall |
| Company number | 3258763 |
| Registered office | 5th Floor 7/10 Chandos Street London W1G 9DQ |
| Auditors | Simmons Gainsford LLP 7/10 Chandos Street Cavendish Square London W1G 9DQ |
| Business address | 9 Hatton Street London NW8 8PL |

DUNE INTERNATIONAL LIMITED

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DUNE INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 1 JULY 2006

The directors present their report and financial statements for the period ended 1 July 2006

Principal activities

The principal activity of the company was those of international wholesalers

Directors

The following directors have held office since 3 July 2005

Daniel R Rubin

Barry R Marshall

Directors' interests

The directors' interests in the shares of the company were as stated below

| | Ordinary Shares of £ 1 each | |
|------------------|-----------------------------|-------------|
| | 1 July 2006 | 3 July 2005 |
| Daniel R Rubin | - | - |
| Barry R Marshall | - | - |

The directors interests in the shares of the holding company are disclosed in the accounts of that company

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Simmons Gainsford LLP be reappointed as auditors of the company will be put to the Annual General Meeting

DUNE INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 1 JULY 2006

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves 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.

On behalf of the board



Daniel R Rubin

Director

12/1/07

DUNE INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DUNE INTERNATIONAL LIMITED

We have audited the financial statements of Dune International Limited for the period ended 1 July 2006 set out on pages 5 to 9. 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 2005).

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 the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records or 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 judgements 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.

DUNE INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DUNE INTERNATIONAL LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 1 July 2006 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985

- 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 1 July 2006 and of its profit for the period then ended ,
- the information given in the Directors' Report is consistent with the financial statements, and
- have been properly prepared in accordance with the Companies Act 1985


Simmons Gainsford LLP

10/1/08

Chartered Accountants
Registered Auditor

7/10 Chandos Street
Cavendish Square
London
W1G 9DQ

DUNE INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 1 JULY 2006

| | Notes | 2006 £ | 2005 £ |
|--|----------|-----------|-----------|
| Turnover | | 827,505 | 942,191 |
| Cost of sales | | (715,330) | (799,673) |
| Gross profit | | 112,175 | 142,518 |
| Administrative expenses | | (80,164) | (62,321) |
| Other operating income | | 14,287 | - |
| Profit on ordinary activities before taxation | 2 | 46,298 | 80,197 |
| Tax on profit on ordinary activities | 3 | (12,403) | (21,154) |
| Profit for the period | 8 | 33,895 | 59,043 |

DUNE INTERNATIONAL LIMITED

BALANCE SHEET AS AT 1 JULY 2006

| | Notes | 2006 £ | £ | 2005 £ | £ |
|---|-------|-----------|---------|-----------|----------|
| Fixed assets | | | | | |
| Tangible assets | 4 | | - | | 5,318 |
| Current assets | | | | | |
| Debtors | 5 | 376,927 | | 479,796 | |
| Creditors amounts falling due within one year | 6 | (383,543) | | (525,625) | |
| Net current liabilities | | | (6,616) | | (45,829) |
| Total assets less current liabilities | | | (6,616) | | (40,511) |
| | | | (6,616) | | (40,511) |
| Capital and reserves | | | | | |
| Called up share capital | 7 | | 100 | | 100 |
| Profit and loss account | 8 | | (6,716) | | (40,611) |
| Shareholders' funds | | | (6,616) | | (40,511) |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved by the Board for issue on

17/1/07



Daniel R Rubin
Director

DUNE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JULY 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.3 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 less estimated residual value of each asset over its expected useful life, as follows

| | |
|--------------------------------|----------------------------|
| Computer equipment | 33 33% on cost |
| Fixtures, fittings & equipment | Straight line over 7 years |

2 Operating profit

Operating profit is stated after charging
Depreciation of tangible assets

| 2006 | 2005 |
|------|------|
| £ | £ |

| | |
|-------|-------|
| 7,552 | 5,326 |
|-------|-------|

3 Taxation

Domestic current year tax

U K corporation tax

Adjustment for prior years

| 2006 | 2005 |
|------|------|
| £ | £ |

| | |
|--------|--------|
| 11,668 | 21,154 |
|--------|--------|

| | |
|-----|---|
| 735 | - |
|-----|---|

Current tax charge

| | |
|--------|--------|
| 12,403 | 21,154 |
|--------|--------|

DUNE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JULY 2006

4 Tangible fixed assets

| | Computer equipment £ | Fixtures, fittings & equipment £ | Total £ |
|-----------------------|----------------------------|---|------------|
| Cost | | | |
| At 3 July 2005 | 15,966 | - | 15,966 |
| Additions | - | 2,234 | 2,234 |
| At 1 July 2006 | 15,966 | 2,234 | 18,200 |
| Depreciation | | | |
| At 3 July 2005 | 10,648 | - | 10,648 |
| Charge for the period | 5,318 | 2,234 | 7,552 |
| At 1 July 2006 | 15,966 | 2,234 | 18,200 |
| Net book value | | | |
| At 1 July 2006 | - | - | - |
| At 2 July 2005 | 5,318 | - | 5,318 |

| 5 Debtors | 2006 £ | 2005 £ |
|---|-----------|-----------|
| Trade debtors | 376,827 | 479,696 |
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 100 | 100 |
| | 376,927 | 479,796 |

| 6 Creditors: amounts falling due within one year | 2006 £ | 2005 £ |
|---|-----------|-----------|
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 372,871 | 498,951 |
| Taxation and social security | 10,672 | 21,154 |
| Other creditors | - | 5,520 |
| | 383,543 | 525,625 |

DUNE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JULY 2006

| 7 | Share capital | 2006 £ | 2005 £ |
|---|---|-------------------|-------------------|
| | Authorised | | |
| | 100 Ordinary Shares of £1 each | 100 | 100 |
| | | <u> </u> | <u> </u> |
| | Allotted, called up and fully paid | | |
| | 100 Ordinary Shares of £1 each | 100 | 100 |
| | | <u> </u> | <u> </u> |

8 Statement of movements on profit and loss account

| | Profit and loss account £ |
|------------------------|------------------------------------|
| Balance at 3 July 2005 | (40,611) |
| Profit for the period | 33,895 |
| | <u> </u> |
| Balance at 1 July 2006 | (6,716) |
| | <u> </u> |

9 Control

The ultimate parent company is Dune Holdings Limited, a company registered in England and Wales, and the ultimate controlling party is Daniel R Rubin, one of the directors

10 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company