

OLDVINE LIMITED
REPORT AND FINANCIAL STATEMENTS
30 NOVEMBER 2004



**OLDVINE LIMITED
DIRECTORS' REPORT
YEAR ENDED 30 NOVEMBER 2004**

The directors submit their report and the audited financial statements for the year ended 30 November 2004. The comparative amounts are in respect of the eight month period ended 30 November 2003.

PRINCIPAL ACTIVITY

The principal activity of the company is property investment.

RESULTS AND DIVIDENDS

The results of the company for the year under review are set out in detail in the profit and loss account on page 4. The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS, FUTURE DEVELOPMENTS AND POST BALANCE SHEET EVENTS

The directors have continued to develop the business of the company in the light of prevailing trading conditions and the position at 30 November 2004 is reflected in the company's accounts for the year then ended.

DIRECTORS

The directors who served during the year were as follows:

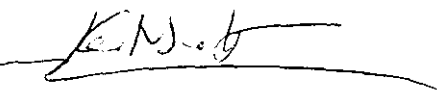
B S Anderson	
D L Baker	
P C Kasch	
D Kerr	(resigned 8 March 2004)
J C McMahon	
I S Mackintosh	(appointed 31 August 2004)
M R Turner	
N J G Tribe	

None of the directors have a disclosable interest in the issued share capital of the company.

AUDITORS

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

Approved by the Board on 30 NOVEMBER 2005
and signed on behalf by


Secretary

OLDVINE LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The purpose of this statement is to distinguish the directors' responsibilities for the financial statements from those of the auditors as stated in their report.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the company's state of affairs at the end of the year and of its profit or loss for the 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume 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 to 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 or other irregularities.

The directors are responsible for ensuring that the directors' report and information included in the annual report is prepared in accordance with company law in the United Kingdom.

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

We have audited the financial statements of Oldvine Limited for the year ended 30 November 2004 set out on pages 4 to 13. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, and the accounting policies set out therein.

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 auditor's 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 opinion we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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, 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 transactions with the company 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 United Kingdom Auditing Standards 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.

Unqualified opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

30 NOVEMBER 2005

Horwath Clark Whitehill LLP

HORWATH CLARK WHITEHILL LLP
Chartered Accountants
and Registered Auditors

OLDVINE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2004

	Notes	Year Ended 30 November 2004 £	Period Ended 30 November 2003 £
TURNOVER	1(b)	7,839,769	2,931,149
Administrative expenses		<u>(1,682,510)</u>	<u>(1,335,669)</u>
OPERATING PROFIT	2	6,157,259	1,595,480
Profit on disposal of investment properties		16,657,267	-
Interest payable and similar charges	3	(18,122,875)	(5,748,131)
Other interest receivable and similar income	4	<u>9,519,070</u>	<u>3,335,153</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		14,210,721	(817,498)
Tax on profit on ordinary activities	5	<u>(2,824,533)</u>	<u>(30,604)</u>
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR/PERIOD		<u>11,386,188</u>	<u>(848,102)</u>

The profit and loss account contains all gains and losses recognised in the current year and previous period and the profit/(loss) retained and the issue of shares in the previous period as detailed in note 11 represent the only movements in shareholders' funds during those periods.

The notes on pages 7 to 13 form part of these financial statements.

OLDVINE LIMITED
BALANCE SHEET
30 NOVEMBER 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Investment in subsidiary undertakings	6	73,011,236	196,750,970
Tangible assets	7	-	112,500,000
		<u>73,011,236</u>	<u>309,250,970</u>
CURRENT ASSETS			
Debtors	8	3,876,292	533,435
Cash at bank and in hand		31,853,655	1,271,613
		<u>35,729,947</u>	<u>1,805,048</u>
CREDITORS: amounts falling due within one year	9	<u>(78,853,097)</u>	<u>(3,409,845)</u>
NET CURRENT LIABILITIES		<u>(43,123,150)</u>	<u>(1,604,797)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		29,888,086	307,646,173
CREDITORS: amounts falling due after more than one year	10	-	(289,113,671)
PROVISIONS FOR LIABILITIES AND CHARGES	5	-	(30,604)
NET ASSETS		<u>29,888,086</u>	<u>18,501,898</u>
CAPITAL AND RESERVES			
Called up share capital	11	19,350,000	19,350,000
Profit and loss account		10,538,086	(848,102)
SHAREHOLDERS' FUNDS		<u>29,888,086</u>	<u>18,501,898</u>

Approved by the Board on 30 NOVEMBER 2005
and signed on its behalf:

} Director



The notes on pages 7 to 13 form part of these financial statements.

OLDVINE LIMITED
CASH FLOW STATEMENT
YEAR ENDED 30 NOVEMBER 2004

	Note	2004 £	2003 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	12	<u>201,120,320</u>	<u>2,802,986</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		9,519,070	3,335,153
Interest paid		<u>(20,100,944)</u>	<u>(3,770,062)</u>
		<u>(10,581,874)</u>	<u>(434,909)</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Sale of investment properties		129,157,267	-
Purchase of investment properties		<u>-</u>	<u>(112,809,165)</u>
		<u>129,157,267</u>	<u>(112,809,165)</u>
ACQUISITIONS AND DISPOSALS			
Purchase of investments in subsidiary undertakings (including associated long-term loans)		<u>-</u>	<u>(196,750,970)</u>
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>319,695,713</u>	<u>(307,192,058)</u>
FINANCING			
Issue of ordinary share capital		-	19,350,000
Floating rate secured loan notes 2008 issued		(20,250,000)	20,250,000
Bank loans received		<u>(268,863,671)</u>	<u>268,863,671</u>
		<u>(289,113,671)</u>	<u>308,463,671</u>
INCREASE IN CASH	13	<u>30,582,042</u>	<u>1,271,613</u>

The notes on pages 7 to 13 form part of these financial statements.

OLDVINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2004

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are prepared under the historic cost convention, as modified by the revaluation of investment properties, and in accordance with applicable accounting standards.

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) Turnover

Turnover principally represents the aggregate of amounts earned for the rental of properties in the ordinary course of business, net of value added tax.

c) Investment properties

Investment properties are valued annually and the aggregate surplus or deficit is transferred to the revaluation reserve. Where a deficit, in excess of the amount previously transferred to the revaluation reserve, is regarded as being a permanent diminution the amount is charged immediately to the profit and loss account. No depreciation is provided in respect of investment properties. This constitutes a departure from the statutory rules requiring fixed assets to be depreciated over their economic useful lives and is necessary to enable the financial statements to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

d) Deferred Taxation

Full provision is made, at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted at the balance sheet date, in respect of timing differences which have arisen but not reversed at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the accounts. Deferred tax is measured on a non-discounted basis.

e) Operating leases

Operating lease rentals are charged to the profit and loss account as incurred.

f) Investment in subsidiary undertakings

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

2. OPERATING PROFIT

	2004 £	2003 £
Operating profit is arrived at after charging:		
Auditors' remuneration - audit fees	19,000	19,000
Operating lease rentals - land and buildings	174,316	82,718

3. INTEREST PAYABLE AND SIMILAR CHARGES

Bank loans and overdrafts	13,199,375	4,856,861
Loan stock	833,272	624,248
Other	4,090,228	267,022
	<u>18,122,875</u>	<u>5,748,131</u>

OLDVINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 30 NOVEMBER 2004

4. INTEREST RECEIVABLE AND SIMILAR INCOME	2004 £	2003 £
Interest receivable from group undertakings (note 15)	9,194,056	3,290,768
Bank interest receivable	<u>325,014</u>	<u>44,385</u>
	<u>9,519,070</u>	<u>3,335,153</u>
 5. TAX ON PROFIT ON ORDINARY ACTIVITIES		
Provision for payments to fellow group undertakings in respect of losses to be surrendered (see note 15)	3,550,721	-
Provision for receipts from fellow group undertakings in respect of losses to be surrendered (see note 15)	<u>(695,584)</u>	<u>-</u>
	2,855,137	-
Corporation tax (see a below)	-	-
Deferred tax (see b below)	<u>(30,604)</u>	<u>30,604</u>
	<u>2,824,533</u>	<u>30,604</u>
(a) Factors affecting the tax charge for the year/period		
The corporation tax charge for the year is different than the standard rate of corporation tax (30%). The differences are explained below:		
Profit/(loss) on ordinary activities before taxation	<u>14,210,721</u>	<u>(817,498)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax	4,263,216	(245,249)
Net losses to be surrendered	<u>(2,855,137)</u>	<u>-</u>
Permanent differences	<u>(2,320,970)</u>	<u>275,853</u>
Differences between depreciation and capital allowances/charges and other sundry timing	30,604	(30,604)
Unutilised losses carried forward	<u>882,287</u>	<u>-</u>
Corporation tax charge for the year	<u>-</u>	<u>-</u>
(b) Deferred tax		
At 1 December 2003	30,604	-
(Credit)/charge for the year/period	<u>(30,604)</u>	<u>30,604</u>
At 30 November 2004	<u>-</u>	<u>30,604</u>
The closing deferred tax balance at 30 November is analysed:		
Capital allowances in excess of depreciation	<u>-</u>	<u>30,604</u>
At 30 November 2004 the company had tax losses carried forward of approximately £1,900,000 (2003: £Nil).		

OLDVINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 30 NOVEMBER 2004

6. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	Equity £	Loans £	Total £
Cost			
At 1 December 2003	3,975,232	192,775,738	196,750,970
Repayment of loans	-	(123,739,734)	(123,739,734)
At 30 November 2004	3,975,232	69,036,004	73,011,236
Net book value:			
30 November 2004	3,975,232	69,036,004	73,011,236
<i>30 November 2003</i>	<i>3,975,232</i>	<i>192,775,738</i>	<i>196,750,970</i>

At 30 November 2004 the company had the following subsidiary undertakings all of which are wholly owned:

	Profit for the Year Ended 30 November 2004 After Taxation £	Capital and Reserves at 30 November 2004 £
Dunwilco (1054) Limited ("D1054")	109,219	112,050
Dunwilco (1021) Limited ("D1021")	10,812,723	11,093,003
Brookridge Properties Limited ("BPL")	216,974	3,400,160
Unicycle L.P. ("Unicycle")	15,809,903	50,359,865
Cross Autonomy Limited ("CAL")	-	100

The principal activity of Dunwilco (1021) Limited and Dunwilco (1054) Limited is the holding of the entire limited and general partnership interests in Unicycle L.P., a partnership registered in Delaware, USA whose principal activity is property investment.

The principal activity of Brookridge Properties Limited 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 2004

7. TANGIBLE FIXED ASSETS

Investment properties

	£
Cost/valuation	
At 1 December 2003	112,500,000
Disposals	<u>(112,500,000)</u>
At 30 November 2004	<u>-</u>
Net Book Value	
At 30 November 2004	<u>-</u>
<i>At 30 November 2003</i>	<u>112,500,000</u>

8. DEBTORS

	2004 £	2003 £
Trade debtors	178,407	525,784
Amounts owed by group undertakings (note 15)	3,014,467	-
Other debtors, prepayments and accrued income	<u>683,418</u>	<u>7,651</u>
	<u>3,876,292</u>	<u>533,435</u>

9. CREDITORS:

amounts falling due within one year

Amounts owed to group undertakings (note 15)	75,615,549	292,237
Other taxes and social security	-	410
Other creditors, accruals and deferred income	<u>3,237,548</u>	<u>3,117,198</u>
	<u>78,853,097</u>	<u>3,409,845</u>

10. CREDITORS:

amounts falling due after more than one year

Floating rate secured loan notes 2008	-	20,250,000
Bank loans	<u>-</u>	<u>268,863,671</u>
	<u>-</u>	<u>289,113,671</u>

OLDVINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 30 NOVEMBER 2004

11. SHARE CAPITAL	2004 £	2003 £
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
112,500 Ordinary 'C' shares of £1 each	112,500	112,500
3,000,000 Ordinary 'D' shares of £1 each	3,000,000	3,000,000
	<u>19,350,000</u>	<u>19,350,000</u>

During the previous period 19,350,000 Ordinary £1 shares were allotted at par for cash.

The rights of all categories of £1 Ordinary shares are identical.

12. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2004 £	2003 £
Operating profit	6,157,259	1,595,480
Revaluation of investment property	-	309,165
Increase in debtors	(328,390)	(533,435)
Increase in creditors	2,098,009	1,139,539
Increase in inter-company balances	193,193,442	292,237
	<u>201,120,320</u>	<u>2,802,986</u>

13. RECONCILIATION OF NET CASH INCREASE TO MOVEMENT ON NET DEBT		
Increase in cash in the year/period	30,582,042	1,271,613
Loan notes repaid/(issued)	20,250,000	(20,250,000)
Bank loans repaid/(received)	268,863,671	(268,863,671)
Net debt at 1 December 2003	(287,842,058)	-
Net debt at 30 November 2004	<u>31,853,655</u>	<u>(287,842,058)</u>

14. ANALYSIS OF NET DEBT	At 1 December 2003 £	Cash Flow £	At 30 November 2004 £
Cash at bank in hand	1,271,613	30,582,042	31,853,655
Debt due after one year			
- Loan notes	(20,250,000)	20,250,000	-
- Bank loans	(268,863,671)	268,863,671	-
	<u>(287,842,058)</u>	<u>319,695,713</u>	<u>31,853,655</u>

OLDVINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 30 NOVEMBER 2004

15. RELATED PARTY TRANSACTIONS

a. Non group undertakings

P C Kasch and N J G Tribe are members of Catalyst Capital LLP ('Catalyst'). During the year the company was charged £315,855 (2003: £85,785) in asset management fees by Catalyst. In addition the company was charged £2,994,718 in the year by Catalyst in respect of services rendered in connection with the disposal of the company's investment property portfolio.

B S Anderson is a director of Uberior Ventures Limited ('Uberior'), a subsidiary undertaking of the Bank of Scotland ('BOS'). During the previous period the group was charged a bank loan facility arrangement fee by BOS of £3,438,775.

In addition all amounts disclosed elsewhere 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 6.

Amounts owed by group undertakings (note 8) is analysed as follows:	2004 £	2003 £
CS291	2,364,371	-
D1054	6,501	-
D1021	643,566	-
CS292	29	-
	<u>3,014,467</u>	<u>-</u>

Amounts owed to group undertakings (note 9)
is analysed as follows:

CAL	3,550,871	-
BPL	507,119	70,851
Unicycle	71,557,559	221,386
	<u>75,615,549</u>	<u>292,237</u>

During the year the following receipts were recorded in respect of group relief surrendered to the following entities (note 5):

D1054	6,501	-
D1021	643,566	-
BPL	45,488	-
CS292	29	-
	<u>695,584</u>	<u>-</u>

OLDVINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEAR ENDED 30 NOVEMBER 2004

15. RELATED PARTY TRANSACTIONS (CONTINUED)

During the year the following payments were recorded in respect of group relief surrendered to the following entities (note 5):

	2004 £	2003 £
CAL	<u>3,550,721</u>	<u>-</u>

The following long-term loans (see note 6) were outstanding from group undertakings at the beginning and end of the year

Unicycle	-	123,739,734
D1021	51,198,047	51,198,047
D1054	517,152	517,152
BPL	<u>17,320,805</u>	<u>17,320,805</u>
	<u>69,036,004</u>	<u>192,775,738</u>

During the year the following interest was charged on the long-term loans detailed above:

BPL	1,128,937	404,073
Unicycle	<u>8,065,119</u>	<u>2,886,695</u>
	<u>9,194,056</u>	<u>3,290,768</u>

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.

16. ULTIMATE PARENT UNDERTAKING

The directors consider that Continental Shelf 291 Limited became the company's ultimate parent undertaking during December 2003 as part of a group reconstruction. From incorporation until that time the company did not have any parent undertakings.