

**OLDVINE LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**30 NOVEMBER 2005**

**SATURDAY**



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**OLDVINE LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 30 NOVEMBER 2005**

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The directors submit their report together with the audited financial statements for the year ended 30 November 2005

**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. An interim dividend of £28,037,000 was paid during the year on the company's Ordinary 'A' shares. The directors do not propose the payment of a final dividend.

**REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The directors have continued to develop the business of the company in the light of prevailing trading conditions and the position at 30 November 2005 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	(resigned 31 December 2005)
P C Kasch	
J C McMahon	
I S Mackintosh	(resigned 26 July 2005)
S J Nahum	(appointed 31 December 2005)
M R Turner	
G C Sellar	(appointed 26 July 2005)
N J G Tribe	(resigned 23 June 2006)

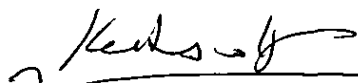
The current directors have no beneficial interest in the share capital of the company or of any other group undertaking.

**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.

Approved by the Board on  
and signed on behalf by

  
Secretary

# **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.

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF OLDVINE LIMITED  
YEAR ENDED 30 NOVEMBER 2005**

We have audited the financial statements of Oldvine Limited for the year ended 30 November 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Cash-flow Statement and the related notes 1 to 14. 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 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

8 June 2007



**HORWATH CLARK WHITEHILL LLP**  
Chartered Accountants  
and Registered Auditors  
London

**OLDVINE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 NOVEMBER 2005**

	Notes	2005 £	2004 £
<b>TURNOVER</b>	1(b)	<b>276,454</b>	<b>7,839,769</b>
Administrative expenses		<u>(271,335)</u>	<u>(1,682,510)</u>
<b>OPERATING PROFIT</b>	2	<b>5,119</b>	<b>6,157,259</b>
Profit on disposal of investment properties		<b>3,502</b>	<b>16,657,267</b>
Amount written off investments in group undertakings	6	<b>(3,896,333)</b>	-
Income from shares in group undertakings	13	<b>21,100,000</b>	-
Interest payable and similar charges	3	<b>(60,926)</b>	<b>(18,122,875)</b>
Other interest receivable and similar income	4	<u><b>355,024</b></u>	<u><b>9,519,070</b></u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>17,506,386</b>	<b>14,210,721</b>
Tax on profit on ordinary activities	5	<u>-</u>	<u>(2,824,533)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>17,506,386</b>	<b>11,386,188</b>
Profit and loss account brought forward		<b>10,538,086</b>	<b>(848,102)</b>
Dividends - paid		<u><b>(28,037,000)</b></u>	<u>-</u>
<b>PROFIT AND LOSS ACCOUNT CARRIED FORWARD</b>		<u><b>7,472</b></u>	<u><b>10,538,086</b></u>

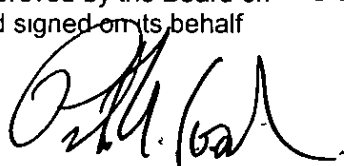
The profit and loss account contains all the gains and losses recognised in the current year and previous year. The profit for the financial year and the dividends paid are the only movements in shareholders' funds during those years.

The related notes 1 to 14 form part of these financial statements

**OLDVINE LIMITED**  
**BALANCE SHEET**  
**30 NOVEMBER 2005**

	Notes	2005 £	2004 £
<b>FIXED ASSETS</b>			
Investment in subsidiary undertakings	6	<u>69,114,903</u>	<u>73,011,236</u>
<b>CURRENT ASSETS</b>			
Debtors	7	<u>31,391,214</u>	<u>3,876,292</u>
Cash at bank and in hand		<u>5,453,044</u>	<u>31,853,655</u>
		<b>36,844,258</b>	<b>35,729,947</b>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(85,701,689)</u>	<u>(78,853,097)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(48,857,431)</u>	<u>(43,123,150)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>20,257,472</b>	<b>29,888,086</b>
<b>CREDITORS: amounts falling due after one year</b>	8	<u>(900,000)</u>	<u>-</u>
<b>NET ASSETS</b>		<u><b>19,357,472</b></u>	<u><b>29,888,086</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	<u>19,350,000</u>	<u>19,350,000</u>
Profit and loss account		<u>7,472</u>	<u>10,538,086</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><b>19,357,472</b></u>	<u><b>29,888,086</b></u>

Approved by the Board on 08 JUNE 2007  
and signed on its behalf

 } Director

The related notes 1 to 14 form part of these financial statements

**OLDVINE LIMITED**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 30 NOVEMBER 2005**

	Note	2005 £	2004 £
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	10	<b><u>(19,761,211)</u></b>	<b><u>201,120,320</u></b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Dividends from group undertakings		21,100,000	-
Interest received		355,024	9,519,070
Interest paid		<u>(60,926)</u>	<u>(20,100,944)</u>
		<b><u>21,394,098</u></b>	<b><u>(10,581,874)</u></b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Sale of investment properties		<u>3,502</u>	<u>129,157,267</u>
<b>EQUITY DIVIDENDS PAID</b>		<b><u>(28,037,000)</u></b>	<b><u>-</u></b>
<b>NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<b><u>(26,400,611)</u></b>	<b><u>319,695,713</u></b>
<b>FINANCING</b>			
Floating rate secured loan notes 2008 repaid		-	(20,250,000)
Bank loans repaid		<u>-</u>	<u>(268,863,671)</u>
		<u>-</u>	<u>(289,113,671)</u>
<b>(DECREASE)/INCREASE IN CASH</b>	12	<b><u>(26,400,611)</u></b>	<b><u>30,582,042</u></b>

The related notes 1 to 14 form part of these financial statements

**OLDVINE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 NOVEMBER 2005**

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**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) 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

**d) Operating leases**

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

**e) Investment in subsidiary undertakings**

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

**2 OPERATING PROFIT**

	2005 £	2004 £
Is arrived at after charging		
Auditors' remuneration - audit fees	19,000	19,000
Operating lease rentals - land and buildings	-	174,316
	<u>          </u>	<u>          </u>

**3 INTEREST PAYABLE AND SIMILAR CHARGES**

Bank loans and overdrafts	-	13,199,375
Loan stock	-	833,272
Other	60,926	4,090,228
	<u>60,926</u>	<u>18,122,875</u>



**OLDVINE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 30 NOVEMBER 2005**

<b>4 INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Interest receivable from group undertakings (note 13)	<b>154,226</b>	<b>9,194,056</b>
Bank interest receivable	<b>200,798</b>	<b>325,014</b>
	<b><u>355,024</u></b>	<b><u>9,519,070</u></b>
 <b>5 TAX ON PROFIT ON ORDINARY ACTIVITIES</b>		
Provision for payments to fellow group undertakings in respect of loss surrenders (see note 13)	-	<b>3,550,721</b>
Provision for receipts from fellow group undertakings in respect of losses to be surrendered (see note 13)	-	<b>(695,584)</b>
	-	<b>2,855,137</b>
Corporation tax (see a below)	-	-
Deferred tax (see b below)	-	<b>(30,604)</b>
	-	<b><u>2,824,533</u></b>
(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 on ordinary activities before taxation	<b><u>17,506,386</u></b>	<b><u>14,210,721</u></b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	<b>5,251,916</b>	<b>4,263,216</b>
Transfer pricing adjustments	<b>230,310</b>	-
Net losses to be surrendered	-	<b>(2,855,137)</b>
Permanent differences	<b>(5,157,058)</b>	<b>(2,320,970)</b>
Differences between depreciation and capital allowances/charges and other sundry timing differences	-	<b>30,604</b>
Utilised losses brought forward	<b>(325,168)</b>	-
Unutilised losses carried forward	-	<b>882,287</b>
	-	-
Corporation tax charge for the year	-	-
(b) Deferred tax		
Brought forward	-	<b>30,604</b>
Credit for the year	-	<b>(30,604)</b>
	-	-
Carried forward	-	-

At 30 November 2005 the company had tax losses carried forward for corporation tax purposes of approximately £1,800,000 (2004 £2,900,000)

**OLDVINE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 30 NOVEMBER 2005**

**6 INVESTMENT IN SUBSIDIARY UNDERTAKINGS**

	Equity £	Loans £	Total £
Cost			
1 December 2004	3,975,232	69,036,004	73,011,236
Repayment of loans	-	-	-
	<u>3,975,232</u>	<u>69,036,004</u>	<u>73,011,236</u>
30 November 2005	3,975,232	69,036,004	73,011,236
Provision			
Charge for year and at 30 November 2005	3,896,333	-	3,896,333
	<u>3,896,333</u>	<u>-</u>	<u>3,896,333</u>
<b>Net book value</b>			
<b>30 November 2005</b>	<b><u>78,899</u></b>	<b><u>69,036,004</u></b>	<b><u>69,114,903</u></b>
<i>30 November 2004</i>	<i><u>3,975,232</u></i>	<i><u>69,036,004</u></i>	<i><u>73,011,236</u></i>

At 30 November 2005 the company had the following subsidiary undertakings all of which are wholly owned

	Profit for the Year Ended 30 November 2005 After Taxation £	Capital and Reserves at 30 November 2005 £
Dunwilco (1054) Limited ("D1054")	896	12,946
Dunwilco (1021) Limited ("D1021")	18,702	11,705
Brookridge Properties Limited ("BPL")	(652,286)	47,874
Unicycle L P ("Unicycle")	See below	See below
Cross Autonomy Limited ("CAL")	680,933	31,025

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 2005**

7 DEBTORS	2005 £	2004 £
Trade debtors	153,572	178,407
Amounts owed by group undertakings (note 13)	30,455,654	3,014,467
Other debtors, prepayments and accrued income	781,988	683,418
	<u>31,391,214</u>	<u>3,876,292</u>

8 CREDITORS: amounts falling due within one year		
Amounts owed to group undertakings (note 13)	84,838,828	75,615,549
Other creditors, accruals and deferred income	862,861	3,237,548
	<u>85,701,689</u>	<u>78,853,097</u>

**CREDITORS**

amounts falling due after one year

Other creditors, accruals and deferred income	<u>900,000</u>	-
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The above amount is scheduled to be converted into issued ordinary share capital during the year ended 30 November 2007

9 SHARE CAPITAL	2005 £	2004 £
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>

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

10 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	2005 £	2004 £
Operating profit	5,119	6,157,259
Increase in debtors	(73,735)	(328,390)
(Decrease)/increase in creditors	(1,474,687)	2,098,009
Movement in inter-company (net) balances	(18,217,908)	193,193,442
	<u>(19,761,211)</u>	<u>201,120,320</u>

**OLDVINE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 30 NOVEMBER 2005**

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**11 RECONCILIATION OF NET CASH (DECREASE)/  
INCREASE TO MOVEMENT ON NET FUNDS/(DEBT)**

	2005 £	2004 £
(Decrease)/increase in cash in the year	(26,400,611)	30,582,042
Loan notes repaid	-	20,250,000
Bank loans repaid	-	268,863,671
Net funds/(debt) brought forward	<u>31,853,655</u>	<u>(287,842,058)</u>
Net funds carried forward	<u>5,453,044</u>	<u>31,853,655</u>

**12 ANALYSIS OF NET FUNDS**

	At 1 December 2004 £	Cash Flow £	At 30 November 2005 £
Cash at bank in hand	<u>31,853,655</u>	<u>(26,400,611)</u>	<u>5,453,044</u>

**OLDVINE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 30 NOVEMBER 2005**

**13. RELATED PARTY TRANSACTIONS**

**a Non group undertakings**

P C Kasch is a member of Catalyst Capital LLP ("Catalyst") During the year the company was charged £Nil (2004 £315,855) in asset management fees by Catalyst

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 6

Amounts owed by group undertakings (note 7) is analysed as follows	2005 £	2004 £
CS291	14,786,769	2,364,371
D1054	106,501	6,501
D1021	11,913,105	643,566
CAL	3,649,279	-
CS292	-	29
	<u>30,455,654</u>	<u>3,014,467</u>

Amounts owed to group undertakings (note 8)  
is analysed as follows

CS292	74	-
CAL	-	3,550,871
BPL	18,112,870	507,119
Unicycle	66,725,884	71,557,559
	<u>84,838,828</u>	<u>75,615,549</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>-</u>	<u>695,584</u>

**OLDVINE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 30 NOVEMBER 2005**

**13 RELATED PARTY TRANSACTIONS (CONTINUED)**

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

	2005 £	2004 £
CAL	-	3,550,721

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

D1021	51,198,047	51,198,047
D1054	517,152	517,152
BPL	17,320,805	17,320,805
	<u>69,036,004</u>	<u>69,036,004</u>

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

BPL	154,226	1,128,937
Unicycle	-	8,065,119
	<u>154,226</u>	<u>9,194,056</u>

The income from shares in group undertakings is analysed

BPL	2,700,000	-
CAL	7,200,000	-
D1021	11,100,000	-
D1054	100,000	-
	<u>21,100,000</u>	<u>-</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.

**14. ULTIMATE PARENT UNDERTAKING**

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

CS 291 does not prepare consolidated financial statements.