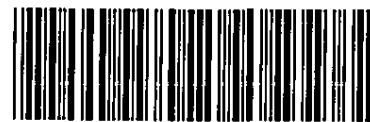


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Redcliffe Investments Limited
Non-consolidated financial statements
for the year ended 31 December 2008
(expressed in Pounds Sterling)

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Redcliffe Investments Limited

Non-consolidated financial statements for the year ended 31 December 2008

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Redcliffe Investments Limited

Independent auditors' report to the shareholders of Redcliffe Investments Limited

We have audited the accompanying non-consolidated financial statements of Redcliffe Investments Limited, which comprise the non-consolidated balance sheet as of 31 December 2008 and the non-consolidated statement of income and retained earnings and the non-consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles generally accepted in Bermuda and Canada. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

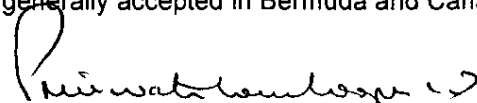
Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion. This report has been prepared for and only for the Company's shareholders as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Opinion

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2008 and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in Bermuda and Canada.



PricewaterhouseCoopers LLP
Chartered Accountants
Bristol

19/10/09

Redcliffe Investments Limited

Non-consolidated statement of income and retained earnings for the year ended 31 December 2008 (expressed in Pounds Sterling)

	Note	2008 £	2007 £
Income			
Interest on bank deposits		633,274	564,668
		633,274	564,668
Expenses			
General and administrative expenses		19,424	21,498
Gain from release of provision against investment		(209,439)	(1,755,000)
Net profit before taxes		823,289	2,298,170
Taxation	3	-	-
Net income for the year		823,289	2,298,170
Retained earnings at the beginning of the year		12,415,652	10,117,482
Retained earnings at the end of the year		13,238,941	12,415,652

The accounting policies and notes on pages 5 to 7 form an integral part of these financial statements.

Redcliffe Investments Limited

Non-consolidated balance sheet at 31 December 2008 (expressed in Pounds Sterling)

	Note	2008 £	2007 £
Assets			
Investment in subsidiary	2	2,464,439	2,255,000
Current assets			
Cash and cash equivalents		11,653,226	11,051,458
Interest receivable and other assets		12,016	3,835
Owing from group companies, payable on demand		118,560	118,560
		14,248,241	11,173,853
Total assets		14,248,241	13,428,853
Liabilities			
Other accrued liabilities		9,300	13,201
Total liabilities		9,300	13,201
		14,238,941	13,415,652
Shareholders' equity			
Share Capital	5	1,000,000	1,000,000
Retained earnings		13,238,941	12,415,652
		14,238,941	13,415,652

The accounting policies and notes on pages 5 to 7 form an integral part of these financial statements.

The financial statements on pages 2 to 7 were approved by the board of directors on **19 OCT 2009** and were signed on its behalf by:



Director

Redcliffe Investments Limited

Non-consolidated statement of cash flows for the year ended 31 December 2008 (expressed in Pounds Sterling)

	2008 £	2008 £	2007 £	2007 £
Cashflows from operating activities:				
Net income for the year		823,289		2,298,170
Change in assets and liabilities:				
(Increase)/decrease in interest receivable and other assets	(8,181)		2,701	
(Decrease) in other accrued liabilities	(3,901)		(39,491)	
Write-back of provision	(209,439)		(1,755,000)	
		(221,521)		(1,791,790)
Cash provided by operating activities		601,768		506,380
Decrease in amounts owing from fellow subsidiary companies	-		802,205	
Cash (used in)/ provided by financing activities		-		802,205
Net increase in cash and cash equivalents		601,768		1,308,585
Cash and cash equivalents at beginning of the year		11,051,458		9,742,873
Cash and cash equivalents at end of the year		11,653,226		11,051,458

The accounting policies and notes on pages 5 to 7 form an integral part of these financial statements.

Redcliffe Investments Limited

Significant accounting policies

General

The Company, with the unanimous consent of its shareholders, has elected to prepare its financial statements in accordance with accounting policies generally accepted in Bermuda and Canada using the differential reporting options available to non publicly accountable enterprises described below. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment in subsidiary

These financial statements have not been prepared on a consolidated basis and the investment in subsidiary is carried at cost to the Company less provision for permanent diminution in value. Current asset investments are held at the lower of cost and open market value. As these non-consolidated financial statements have not been prepared for general purposes, some users may require further information.

Income tax

The company is exempt from Bermuda income taxation until March 28, 2016. Certain investment operations conducted by the company may be subject to withholding tax on non-Bermuda dividend or interest income at the source.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on deposit and short term deposits with an original maturity of less than ninety days.

Interest

Interest income is recognised in the period in which it is earned. Any unpaid interest at the year end is recorded as a current asset.

Operating expenses

Expenses are recognised in the statement of income and retained earnings in the period in which they are incurred.

Redcliffe Investments Limited

Notes to the non-consolidated financial statements for the year ended 31 December 2008

1 Organisation

Redcliffe Investments Limited was incorporated under the laws of Bermuda on 18 July 1988. The Company is an investment holding company.

2 Investment in subsidiary

The Company's investment in its subsidiary can be analysed as:

	2008 £	2007 £
Cost		
At 1 January	3,900,000	3,900,000
Increase in cost	-	-
Cost at 31 December	3,900,000	3,900,000
Provision against investment		
At 1 January	1,645,000	3,400,000
(Decrease) in provision	(209,439)	(1,755,000)
Provision at 31 December	1,435,561	1,645,000
Book value		
At 1 January	2,255,000	500,000
At 31 December	2,464,439	2,255,000

The Company owns 100% of the equity share capital of PBH Properties Limited, an investment holding company.

3 Taxation

There is no tax charge during the year due to tax losses available from earlier years (2007: nil).

Redcliffe Investments Limited

Notes to the non-consolidated financial statements for the year ended 31 December 2008

4 Directors and employees

The Company had no employees (2007: nil).

Directors' emoluments

There were no emoluments due to directors in respect of services in 2008 (2007: £14,500).

There are no directors to whom retirement benefits are accruing in respect of qualifying services under money purchase schemes. No director had any interest in the shares of the Company. None of the Directors has a service contract exceeding one year's duration. Apart from service contracts, no director had any material interest in any contract of significance to the business of the Company at any time during the year under review.

5 Share Capital

Share Capital comprises at 31 December 2008 and 31 December 2007:

	Number	Issued	Total cash paid in as capital
		Aggregate Par Value	
		£	£
Common Stock	1,000,000	1,000,000	1,000,000

6 Related party transactions

Interest on bank deposits shown in the statement of income is derived from cash and cash equivalents shown on the balance sheet which is held with other group companies. Other than interest income during the year the Company has had no material transactions with other group companies.

7 Financial assets and liabilities

The estimated fair values of cash and cash equivalents, interest receivable and other assets, owing from group companies and other accrued liabilities approximate their carrying value.

Financial assets which potentially subject Company to concentrations of credit risk consist primarily of cash and cash equivalents. In management's opinion, the risk of loss due to credit risk is not significant as cash and cash equivalents are placed with high credit quality institutions.