

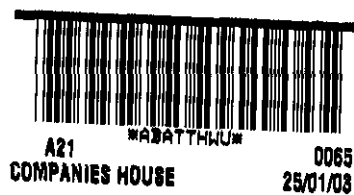
HENRY DAVIES (HOLBORN) LIMITED

Company No: 501607

FINANCIAL STATEMENTS

for the year ended

31 MARCH 2002



COHEN, ARNOLD & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON W1S 2HL

HENRY DAVIES (HOLBORN) LIMITED

DIRECTORS

B S E Freshwater
L Stempel

SECRETARY

M R M Jenner F.C.I.S.

REGISTERED OFFICE

13-17 New Burlington Place
Regent Street
LONDON W1S 2HL

AUDITORS

Cohen, Arnold & Co
13-17 New Burlington Place
Regent Street
LONDON W1S 2HL

HENRY DAVIES (HOLBORN) LIMITED
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FOR THE YEAR ENDED 31 MARCH 2002

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HENRY DAVIES (HOLBORN) LIMITED

DIRECTORS' REPORT

The Directors have pleasure in presenting their Annual Report together with the audited Financial Statements of the Company for the year ended 31 March 2002.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company is investment in listed securities.

Throughout the year the Company has pursued its traditional activities and there has been no significant change in the business, nor is any envisaged in the immediate future.

RESULTS AND DIVIDEND

The financial results of the Company's activities for the year ended 31 March 2002 are fully reflected in the attached Financial Statements together with the Notes thereon.

The Directors recommend the payment of a dividend of £850,000 (2001: £740,000) for the year under review.

INVESTMENTS

In the light of the overall increase in the quoted price of the shares in Daejan Holdings PLC since acquisition, which comprise the Company's investments, the Directors have decided that they should continue to be included in the Financial Statements at a figure that more accurately reflects their current value. Accordingly, at 31 March 2002, the holding is included at the then middle market price and the increase in value since acquisition has been transferred to Revaluation Reserve.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors who served throughout the year, and who are still in office, are:

Mr B S E Freshwater
Mr L Stempel

The Articles of Association do not require Directors to retire by rotation.

The Directors do not have Service Contracts, nor do they receive any emoluments from the Company.

The whole of the Issued Share Capital of the Company is owned by Norman Sinclair (Properties) Limited, a wholly-owned subsidiary undertaking of Highdorn Co. Limited, a Company of which Mr B S E Freshwater is also a director and in which he has a non-beneficial interest in fifty shares out of the total issued ordinary share capital of one hundred shares. Another member of the Freshwater Family is beneficially interested in the remaining fifty shares. Mr L Stempel is also a director of Highdorn Co. Limited but has no interest in its Share Capital.

The Directors do not have any beneficial interest in the Company, the Company's Parent Undertaking or any Subsidiary of the Company's Parent Undertaking.

HENRY DAVIES (HOLBORN) LIMITED

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES

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 its profit or loss for that period. In preparing the Financial Statements, the Directors are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable Accounting Standards, subject to any material departures disclosed and explained in the Financial Statements
- iv) 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 maintaining 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 and other irregularities.

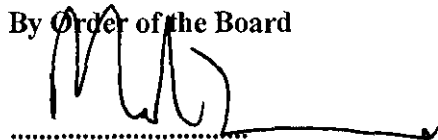
TAXATION STATUS

So far as the Directors are aware, the Company is a "close company" within the meaning of the provisions of Section 414 Taxes Act, 1988.

AUDITORS

A resolution will be proposed at the Annual General Meeting that Messrs Cohen, Arnold & Co, Chartered Accountants, are to be reappointed Auditors of the Company and that their remuneration is to be determined by agreement with the Directors.

By ~~Order of the Board~~



M R M Jenner - Secretary

HEAD OFFICE
Freshwater House
158-162 Shaftesbury Avenue
LONDON WC2H 8HR

9 DEC 2002

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS

- OF -

HENRY DAVIES (HOLBORN) LIMITED

We have audited the Financial Statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 2, the Directors of the company are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 the 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 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.

INDEPENDENT AUDITORS' REPORT
(Continued)

TO THE SHAREHOLDERS

- OF -

HENRY DAVIES (HOLBORN) LIMITED

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2002 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies' Act 1985.

Cohen Arnold & Co

Date:9 : DEC..... 2002

London

COHEN ARNOLD & CO
Chartered Accountants and
Registered Auditor

HENRY DAVIES (HOLBORN) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2002

	Note	<u>2002</u> £	<u>2001</u> £
Income from Fixed Asset Investments - Dividends Receivable		1,005,727	889,681
Administrative Expenses	2	(935)	(935)
OPERATING PROFIT		1,004,792	888,746
Interest Payable	3	(221,761)	(222,061)
Interest Receivable	4	-	9,371
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		783,031	676,056
Taxation	5	67,000	64,000
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		850,031	740,056
Proposed Dividend		(850,000)	(740,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		31	56
Retained Profit Brought Forward		7,477	7,421
RETAINED PROFIT CARRIED FORWARD	11	£7,508	£7,477

None of the Company's activities was acquired or discontinued during the financial year nor in the previous year.

The notes on pages 8 to 12 form part of these Financial Statements.

HENRY DAVIES (HOLBORN) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2002

	<u>2002</u>	<u>2001</u>
	£	<u>Restated</u>
		£
Retained Profit for the Financial Year	31	56
Unrealised Surplus on Revaluation of Listed Investments	5,029,000	6,141,000
Total Recognised Gains for the Year	£5,029,031	£6,141,056

HENRY DAVIES (HOLBORN) LIMITED

BALANCE SHEET AS AT 31 MARCH 2002

		<u>2002</u>	<u>2001</u> <u>Restated</u>
	Note	£	£
FIXED ASSETS			
Investments	1, 6 & 9	28,045,000	23,016,000
CURRENT ASSETS			
Debtors	7	535,501	434,436
Cash at Bank		60,297	51,331
		595,798	485,767
CREDITORS: Amounts falling due within one year	8	(2,451,344)	(2,341,344)
NET CURRENT LIABILITIES		(1,855,546)	(1,855,577)
TOTAL ASSETS LESS CURRENT LIABILITIES		26,189,454	21,160,423
PROVISION FOR LIABILITIES AND CHARGES			
Deferred Taxation	9	-	-
NET ASSETS		£26,189,454	£21,160,423
CAPITAL AND RESERVES			
Called up Share Capital	10	100	100
Revaluation Reserve	11	26,066,592	21,037,592
Other Reserves	11	115,254	115,254
Profit and Loss Account	11	7,508	7,477
		£26,189,454	£21,160,423

The Financial Statements were approved by the Board on9 DEC... 2002
and signed on its behalf by

.....
B S E Freshwater - Director

The notes on pages 8 to 12 form part of these Financial Statements.

HENRY DAVIES (HOLBORN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in the preparation of the Company's Financial Statements.

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the Historical Cost Convention, with the exception of listed investments which are included at middle market value at 31 March 2002.

1.2 CURRENT TAX

In accordance with Financial Reporting Standard No. 16 - Current Tax, the Company's Financial Statements include dividends payable or receivable at an amount that excludes attributable tax credits. Interest payable and receivable are shown at an amount that includes withholding tax.

1.3 DEFERRED TAXATION

In the current year the Company has adopted Financial Reporting Standard 19 which requires full provision in the accounts to be made for deferred tax on all timing differences with certain exceptions. No provision is made for tax on unrealised revaluation surpluses in respect of Listed Investments. In adopting the standard, the Company has restated the previous year's results.

Previously, provision was made for timing differences to the extent that there was a reasonable probability that a liability would crystallize in the foreseeable future.

1.4 CASH FLOW STATEMENT

The company is exempted from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No 1) on the basis of its being a "small company" as defined by Section 247 Companies Act 1985.

2. ADMINISTRATIVE EXPENSES

	<u>2002</u>	<u>2001</u>
	£	£
Auditors' Remuneration	920	920
General Expenses	15	15
	£935	£935

The Directors of the Company received no emoluments from the Company in the year or in the previous year.

Apart from the Directors, there were no other employees of the Company during the year or in the previous year.

HENRY DAVIES (HOLBORN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

3. INTEREST PAYABLE

	<u>2002</u> £	<u>2001</u> £
Interest on Loan from Connected Company	221,761	221,760
Bank Charges	-	301
	£221,761	£222,061

4. INTEREST RECEIVABLE

	<u>2002</u>	<u>2001</u>
External Interest Receivable	£Nil	£9,371

5. TAXATION

	<u>2002</u>	<u>2001</u>
Consideration Receivable for Group Relief (Note 7)	£67,000	£64,000

6. INVESTMENTS

Listed Investments

	£	£
Shares at Cost		1,978,408
Revaluation Surplus At 1 April 2001 as previously reported	16,459,592	
Prior Year Adjustment (Notes 1.3, 9 and 11)	<u>4,578,000</u>	
Revaluation Surplus At 1 April 2001 as restated		<u>21,037,592</u>
Shares at Market Value at 1 April 2001 as restated		23,016,000
Revaluation Surplus for the Year (Note 11)		5,029,000
Shares at Market Value at 31 March 2002		£28,045,000

HENRY DAVIES (HOLBORN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

7. DEBTORS

	<u>2002</u> £	<u>2001</u> £
Amount due from Immediate Parent Undertaking (see below)	380,533	317,453
Amount due from Ultimate Parent Undertaking (see below)	87,968	52,983
Consideration Receivable for Group Relief (Note 5)	67,000	64,000
	£535,501	£434,436

Amounts due from Parent Undertakings are interest free and effectively repayable on demand.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2002</u> £	<u>2001</u> £
Amounts due to Fellow Subsidiary Undertakings (see below)	122,001	122,001
Amount due to Connected Company (see below)	1,478,408	1,478,408
Proposed Dividend	850,000	740,000
Creditors and Accruals	935	935
	£2,451,344	£2,341,344

The amounts due to Fellow Subsidiary Undertakings are interest free and effectively repayable on demand.

The amount due to Connected Company represents a loan which bears interest at 15% per annum and is effectively repayable on demand.

9. DEFERRED TAXATION

Deferred Taxation provided in the financial statements is as follows:

	£
At 1 April 2001 as previously reported	4,578,000
Prior Year Adjustment (Notes 1.3 and 11)	(4,578,000)
At 1 April 2001 as restated and at 31 March 2002	£-

HENRY DAVIES (HOLBORN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

10. CALLED UP SHARE CAPITAL

	Number	£
Ordinary Shares of £1 each: Authorised, Issued and Fully Paid: At 31 March 2002 and 2001	100	100

11. RESERVES

	£	£
Revaluation Reserve		
At 1 April 2001 as previously reported	16,459,592	
Prior Year Adjustment (Notes 1.3 and 9)	4,578,000	
At 1 April 2001 as restated		21,037,592
Surplus on Revaluation of Listed Investments for the Year (Note 6)		5,029,000
At 31 March 2002		£26,066,592
Other Reserves - Capital Reserve		
At 31 March 2002 and 2001		115,254
Profit and Loss Account		
At 1 April 2001	7,477	
Retained Profit for the Year	31	
At 31 March 2002		7,508
Total Reserves and Retained Earnings at 31 March 2002		£26,189,354

HENRY DAVIES (HOLBORN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

12. CONTINGENT LIABILITIES

The Company has given an unlimited guarantee to the bankers of its Ultimate Parent Undertaking, Highdorn Co. Limited, in respect of which the amount outstanding at 31st March 2002 was £Nil (2001: £Nil), in support of an unlimited guarantee given by Highdorn Co. Limited for bank loan and overdraft facilities granted to the undermentioned.

	<u>2002</u>	<u>2001</u>
	£	£
Companies connected with a director	59,190	52,009
Third Parties	168,262	106,055
	£227,452	£158,064

13. ULTIMATE PARENT UNDERTAKING AND CONTROL

The Company is controlled by its Ultimate Parent Undertaking, Highdorn Co. Limited, a Company incorporated in England. Highdorn Co. Limited does not have a controlling party.