

HENRY DAVIES (HOLBORN) LIMITED
FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31 MARCH 2009



COMPANY REGISTRATION NUMBER 501607

COHEN ARNOLD
Chartered Accountants & Registered Auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

HENRY DAVIES (HOLBORN) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

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HENRY DAVIES (HOLBORN) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The directors	Mr B S E Freshwater Mr L Stempel
Company secretary	Mr M R M Jenner F.C.I.S.
Registered office	Freshwater House 158 - 162 Shaftesbury Avenue London NW11 0PU
Auditor	Cohen Arnold Chartered Accountants & Registered Auditor New Burlington House 1075 Finchley Road London NW11 0PU

HENRY DAVIES (HOLBORN) LIMITED

THE REPORT OF THE DIRECTORS

YEAR ENDED 31 MARCH 2009

The Directors have pleasure in presenting their report and the Financial Statements of the Company for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company during the year 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.

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 which more accurately reflects their current value.

Accordingly, at 31 March 2009, the holding is included at the then middle market price and the increase in value since acquisition has been transferred to revaluation reserve.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,523,426. The Directors have not recommended a dividend.

DIRECTORS

The directors who served the Company during the year were as follows:

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.

DIRECTORS' INTERESTS

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. The estate of 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

THE REPORT OF THE DIRECTORS *(continued)*

YEAR ENDED 31 MARCH 2009

RESPONSIBILITIES OF THE DIRECTORS

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 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 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.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Cohen Arnold are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
Freshwater House
158 - 162 Shaftesbury Avenue
London
NW11 0PU

Signed by order of the Directors



MR M R M JENNER F.C.I.S.
Company Secretary

Approved by the Directors on 25 January 2010.

HENRY DAVIES (HOLBORN) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
HENRY DAVIES (HOLBORN) LIMITED

YEAR ENDED 31 MARCH 2009

We have audited the Financial Statements of Henry Davies (Holborn) Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Reconciliation of Shareholders' Funds, Balance Sheet and the related notes. These Financial Statements have been prepared on the basis of 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 opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the Financial Statements.

In addition we report to you if, in our opinion, 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 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.

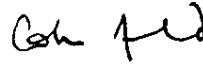
HENRY DAVIES (HOLBORN) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
HENRY DAVIES (HOLBORN) LIMITED *(continued)*

YEAR ENDED 31 MARCH 2009

OPINION

In our opinion:

- the Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the Financial Statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the Financial Statements.



COHEN ARNOLD
Chartered Accountants
& Registered Auditor

New Burlington House
1075 Finchley Road
London
NW11 0PU

21 January 2010.

HENRY DAVIES (HOLBORN) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MARCH 2009**

	Note	2009 £	2008 £
INCOME FROM FIXED ASSET INVESTMENTS	2	1,411,885	1,353,863
Administrative Expenses		(920)	(920)
OPERATING PROFIT	3	1,410,965	1,352,943
Interest Receivable		236,427	262,669
Interest Payable and Similar Charges	5	(80,966)	(80,800)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,566,426	1,534,812
Tax on Profit on Ordinary Activities	6	(43,000)	(54,000)
PROFIT FOR THE FINANCIAL YEAR		1,523,426	1,480,812

All of the activities of the Company are classed as continuing.

The notes on pages 9 to 13 form part of these Financial Statements.

HENRY DAVIES (HOLBORN) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 MARCH 2009

	2009 £	2008 £
Profit for the Financial Year Attributable to the Shareholders	1,523,426	1,480,812
Unrealised Loss on Revaluation of: Listed Investments	<u>(23,653,921)</u>	<u>(42,163,162)</u>
Total Gains and Losses Recognised Since the Last Annual Report	<u>(22,130,495)</u>	<u>(40,682,350)</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit for the financial year	1,523,426	1,480,812
Equity dividends	–	(1,335,000)
Revaluation of Listed Investments	<u>(23,653,921)</u>	<u>(42,163,162)</u>
Net reduction to shareholders' funds	<u>(22,130,495)</u>	<u>(42,017,350)</u>
Opening shareholders' funds	59,584,291	101,601,641
Closing shareholders' funds	<u>37,453,796</u>	<u>59,584,291</u>

The notes on pages 9 to 13 form part of these Financial Statements.

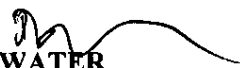
HENRY DAVIES (HOLBORN) LIMITED

BALANCE SHEET

31 MARCH 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Investments	8	36,302,869	59,956,790
CURRENT ASSETS			
Debtors	9	15,810	61,031
Cash at Bank		6,896,475	5,531,708
		6,912,285	5,592,739
CREDITORS: Amounts falling due within one year	10	(5,761,358)	(5,965,238)
NET CURRENT ASSETS/(LIABILITIES)		1,150,927	(372,499)
TOTAL ASSETS LESS CURRENT LIABILITIES		37,453,796	59,584,291
CAPITAL AND RESERVES			
Called-Up Equity Share Capital	11	100	100
Revaluation Reserve	12	34,324,461	57,978,382
Other Reserves	13	115,254	115,254
Profit and Loss Account	14	3,013,981	1,490,555
SHAREHOLDERS' FUNDS		37,453,796	59,584,291

These Financial Statements were approved by the Directors and authorised for issue on 21 January 2009, and are signed on their behalf by:


MR B S E FRESHWATER
 Director

Company Registration Number: 501607

The notes on pages 9 to 13 form part of these Financial Statements.

HENRY DAVIES (HOLBORN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES

Basis of accounting

The Financial Statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement in accordance with Financial Reporting Standard No 1 (revised 1996) on the grounds that it is a wholly -owned subsidiary undertaking of an ultimate parent undertaking registered in England and Wales which prepares consolidated financial statements that include a consolidated cash flow statement.

Related parties transactions

The company has taken advantage of the exemption in FRS 8 Related Party Disclosures in order to dispense with the requirement to disclose transactions with other Highdorn Co. Limited group companies.

Income from fixed asset investments

Income from fixed asset investments represents dividends received during the year.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Taxation

(i) Current:

Provision is made for consideration payable to or receivable from other group companies for the surrender of losses under group relief provisions.

(ii) Deferred:

The Financial Statements have been prepared in accordance with Financial Reporting Standard 19 (FRS 19), which requires full provision in the accounts to be made for deferred tax on all timing differences with certain exceptions. In accordance with FRS 19, no provision is made for tax on unrealised revaluation surpluses in relation to Listed Investments.

2. INCOME FROM FIXED ASSET INVESTMENTS

Income from fixed asset investments represents dividends received during the year.

HENRY DAVIES (HOLBORN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

3. OPERATING PROFIT

Operating profit is stated after charging:

	2009 £	2008 £
Auditor's remuneration - as auditor	<u>920</u>	<u>920</u>

4. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the Directors, during the year.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Interest payable on bank borrowing	166	—
Other similar charges payable	<u>80,800</u>	<u>80,800</u>
	<u>80,966</u>	<u>80,800</u>

Other similar charges payable relate to interest on a loan from a connected company (note 10).

6. TAXATION ON ORDINARY ACTIVITIES TAXATION

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax:		
Corporation tax	—	—
Consideration Payable for Group Relief	<u>43,000</u>	<u>54,000</u>
Total current tax	<u>43,000</u>	<u>54,000</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 - 30%).

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>1,566,426</u>	<u>1,534,812</u>
Profit on ordinary activities by rate of tax	438,599	460,444
Non - taxable income	(395,328)	(406,159)
Other differences	<u>(271)</u>	<u>(285)</u>
Total current tax (note 6(a))	<u>43,000</u>	<u>54,000</u>

HENRY DAVIES (HOLBORN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

7. DIVIDENDS

Equity dividends	2009	2008
	£	£
Paid during the year:		
Equity dividends	<u>—</u>	<u>1,335,000</u>

8. INVESTMENTS

Listed Investments	£
COST OR VALUATION	
At 1 April 2008	<u>59,956,790</u>
Revaluations	<u>(23,653,921)</u>
At 31 March 2009	<u>36,302,869</u>
NET BOOK VALUE	
At 31 March 2009	<u>36,302,869</u>
At 31 March 2008	<u>59,956,790</u>

In the event of a realisation of the Company's Listed Investments at an amount equal to the valuation recorded in the Financial Statements, a liability to corporation tax on chargeable gains would arise, which is estimated at £ 7,500,000 (2008: £ 14,113,000) and for which no provision has been made in the Financial Statements in accordance with FRS 19.

9. DEBTORS

	2009	2008
	£	£
Amounts owed by group undertakings	—	42,800
Prepayments and accrued income	<u>15,810</u>	<u>18,231</u>
	<u>15,810</u>	<u>61,031</u>

10. CREDITORS: Amounts falling due within one year

	2009	2008
	£	£
Amounts owed to group undertakings	<u>5,179,030</u>	<u>5,371,910</u>
Consideration payable for group relief	<u>43,000</u>	<u>54,000</u>
Amount owed to connected company	<u>538,408</u>	<u>538,408</u>
Accruals and deferred income	<u>920</u>	<u>920</u>
	<u>5,761,358</u>	<u>5,965,238</u>

Amount owed to connected company represents a loan from Metropolitan Properties Company Limited, which bears interest at 15% per annum and is effectively repayable on demand.

HENRY DAVIES (HOLBORN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

11. SHARE CAPITAL

Authorised share capital:

	2009 £	2008 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2009 No	£	2008 No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

12. REVALUATION RESERVE

	2009 £	2008 £
Balance brought forward	57,978,382	100,141,544
Revaluation of Listed Investments	<u>(23,653,921)</u>	<u>(42,163,162)</u>
Balance carried forward	<u>34,324,461</u>	<u>57,978,382</u>

13. OTHER RESERVES

	2009 £	2008 £
Capital reserves	<u>115,254</u>	<u>115,254</u>

14. PROFIT AND LOSS ACCOUNT

	2009 £	2008 £
Balance brought forward	1,490,555	1,344,743
Profit for the financial year	1,523,426	1,480,812
Equity dividends	—	<u>(1,335,000)</u>
Balance carried forward	<u>3,013,981</u>	<u>1,490,555</u>

HENRY DAVIES (HOLBORN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

15. 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 2009 was £Nil (2008: £Nil). The aforementioned guarantee is in support of an unlimited guarantee given by Highdorn Co. Limited for bank loan and overdraft facilities granted to the following:

	2009	2008
	£	£
Companies connected with a director	11,422	3,979
Third Parties	<u>109,046</u>	<u>123,400</u>
	<u>120,468</u>	<u>127,379</u>

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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.