

COMPANY REGISTRATION NUMBER 501607

HENRY DAVIES (HOLBORN) LIMITED
FINANCIAL STATEMENTS
31 MARCH 2011

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

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HENRY DAVIES (HOLBORN) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

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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
& Statutory Auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

HENRY DAVIES (HOLBORN) LIMITED

THE REPORT OF THE DIRECTORS

YEAR ENDED 31 MARCH 2011

The Directors have pleasure in presenting their report and the Financial Statements of the Company for the year ended 31 March 2011

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 2011, 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 £1,463,885 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

Day-to-day management of the company is carried out by Highdorn Co Limited

HENRY DAVIES (HOLBORN) LIMITED
THE REPORT OF THE DIRECTORS *(continued)*
YEAR ENDED 31 MARCH 2011

RESPONSIBILITIES OF THE DIRECTORS

The Directors are responsible for preparing the Directors' 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). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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 22.12.11

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

YEAR ENDED 31 MARCH 2011

We have audited the Financial Statements of Henry Davies (Holborn) Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Reconciliation of Shareholders' Funds, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the Company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the Financial Statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

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

YEAR ENDED 31 MARCH 2011

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the Financial Statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



JOSHUA NEUMANN (Senior Statutory Auditor)

For and on behalf of
COHEN ARNOLD
Chartered Accountants
& Statutory Auditor

New Burlington House
1075 Finchley Road
London
NW11 0PU

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HENRY DAVIES (HOLBORN) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 £
INCOME FROM FIXED ASSET INVESTMENTS	2	1,431,227	1,411,887
Administrative Expenses		<u>(1,070)</u>	<u>(920)</u>
OPERATING PROFIT	3	1,430,157	1,410,967
Interest Receivable		<u>46,728</u>	<u>64,287</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,476,885	1,475,254
Tax on Profit on Ordinary Activities	5	<u>(13,000)</u>	<u>(18,000)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,463,885</u>	<u>1,457,254</u>

All of the activities of the Company are classed as continuing

The notes on pages 9 to 12 form part of these Financial Statements

HENRY DAVIES (HOLBORN) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 MARCH 2011

	2011 £	2010 £
Profit for the Financial Year Attributable to the Shareholders	1,463,885	1,457,254
Unrealised Profit on Revaluation of Listed Investments	<u>5,492,816</u>	<u>9,167,587</u>
Total Gains and Losses Recognised Since the Last Annual Report	<u>6,956,701</u>	<u>10,624,841</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	1,463,885	1,457,254
Revaluation of Listed Investments	<u>5,492,816</u>	<u>9,167,587</u>
Net addition to shareholders' funds	6,956,701	10,624,841
Opening shareholders' funds	<u>48,078,637</u>	<u>37,453,796</u>
Closing shareholders' funds	<u>55,035,338</u>	<u>48,078,637</u>

The notes on pages 9 to 12 form part of these Financial Statements.

HENRY DAVIES (HOLBORN) LIMITED

BALANCE SHEET

31 MARCH 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Investments	6	50,963,272	45,470,456
CURRENT ASSETS			
Debtors	7	596,875	372,685
Cash at Bank		<u>8,600,859</u>	<u>7,347,244</u>
		9,197,734	7,719,929
CREDITORS: Amounts falling due within one year	8	<u>(5,125,668)</u>	<u>(5,111,748)</u>
NET CURRENT ASSETS		<u>4,072,066</u>	<u>2,608,181</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>55,035,338</u>	<u>48,078,637</u>
CAPITAL AND RESERVES			
Called-Up Equity Share Capital	10	100	100
Revaluation Reserve	11	48,984,864	43,492,048
Other Reserves	12	115,254	115,254
Profit and Loss Account	13	<u>5,935,120</u>	<u>4,471,235</u>
SHAREHOLDERS' FUNDS		<u>55,035,338</u>	<u>48,078,637</u>

These Financial Statements were approved by the Directors and authorised for issue on 22.12.11, and are signed on their behalf by


MR B S E FRESHWATER
 Director

Company Registration Number 501607

The notes on pages 9 to 12 form part of these Financial Statements

HENRY DAVIES (HOLBORN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

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

Current

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

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

3. OPERATING PROFIT

Operating profit is stated after charging

	2011 £	2010 £
Auditor's remuneration		
- as auditor	<u>920</u>	<u>920</u>

HENRY DAVIES (HOLBORN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

4. PARTICULARS OF EMPLOYEES

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

5. TAXATION ON ORDINARY ACTIVITIES TAXATION

(a) Analysis of charge in the year

	2011 £	2010 £
Current tax:		
Corporation tax	-	-
Consideration Payable for Group Relief	<u>13,000</u>	<u>18,000</u>
Total current tax	<u>13,000</u>	<u>18,000</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% (2010 - 28%)

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>1,476,885</u>	<u>1,475,254</u>
Profit on ordinary activities by rate of tax	413,528	413,071
Non - taxable income	(400,744)	(395,328)
Other differences	<u>216</u>	<u>257</u>
Total current tax (note 5(a))	<u>13,000</u>	<u>18,000</u>

6. INVESTMENTS

Listed Investments

	£
COST OR VALUATION	
At 1 April 2010	45,470,456
Revaluations	<u>5,492,816</u>
At 31 March 2011	<u>50,963,272</u>
NET BOOK VALUE	
At 31 March 2011	<u>50,963,272</u>
At 31 March 2010	<u>45,470,456</u>

The historical cost of the listed investments at 31 March 2011 is £1,978,408 (2010 £1,978,408)

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 £10,500,000 (2010 £9,900,000) and for which no provision has been made in the Financial Statements in accordance with FRS 19

HENRY DAVIES (HOLBORN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

7. DEBTORS

	2011	2010
	£	£
Amounts owed by group undertakings	594,878	369,878
Prepayments and accrued income	1,997	2,807
	<u>596,875</u>	<u>372,685</u>

8. CREDITORS: Amounts falling due within one year

	2011	2010
	£	£
Amounts owed to group undertakings	5,111,748	5,092,828
Consideration payable for group relief	13,000	18,000
Accruals and deferred income	920	920
	<u>5,125,668</u>	<u>5,111,748</u>

9. CONTINGENT LIABILITY

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 31 March 2011 was £21,633 (2010 £168,280), and in support of an unlimited guarantee given by Highdorn Co Limited for bank loan and overdraft facilities granted to the following

	2011	2010
	£	£
Companies connected with a director	27,856	17,702
Third Parties	82,822	58,826
	<u>110,678</u>	<u>76,528</u>

10. SHARE CAPITAL

Allotted, called up and fully paid:

	2011		2010
	No	£	No
	100	100	100
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>

11. REVALUATION RESERVE

	2011	2010
	£	£
Balance brought forward	43,492,048	34,324,461
Revaluation of Listed Investments	5,492,816	9,167,587
Balance carried forward	<u>48,984,864</u>	<u>43,492,048</u>

12. OTHER RESERVES

	2011	2010
	£	£
Capital reserves	<u>115,254</u>	<u>115,254</u>

HENRY DAVIES (HOLBORN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

13. PROFIT AND LOSS ACCOUNT

	2011	2010
	£	£
Balance brought forward	4,471,235	3,013,981
Profit for the financial year	<u>1,463,885</u>	<u>1,457,254</u>
Balance carried forward	<u>5,935,120</u>	<u>4,471,235</u>

14. 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.