

COMPANY REGISTRATION NUMBER 501607

HENRY DAVIES (HOLBORN) LIMITED

FINANCIAL STATEMENTS

31 MARCH 2015



COHEN ARNOLD

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

HENRY DAVIES (HOLBORN) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

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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 2015

The Directors present their report and the Financial Statements of the Company for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of share investment which has remained unchanged during the year and no change is 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 2015, 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 £1,598,717. 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.

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 year.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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.

HENRY DAVIES (HOLBORN) LIMITED
THE REPORT OF THE DIRECTORS *(continued)*
YEAR ENDED 31 MARCH 2015

DONATIONS

During the year the company made no charitable donation nor political contribution.

AUDITOR

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

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Signed by order of the Directors

A handwritten signature in black ink, appearing to be 'Mr M R M Jenner', followed by a long horizontal line ending in a small checkmark.

Mr M R M Jenner F.C.I.S.
Company Secretary

Approved by the Directors on ~~21 December 2015~~

HENRY DAVIES (HOLBORN) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
HENRY DAVIES (HOLBORN) LIMITED
YEAR ENDED 31 MARCH 2015

We have audited the Financial Statements of Henry Davies (Holborn) Limited for the year ended 31 March 2015 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 pages 2 to 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 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 the 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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 MATTER 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 2015

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



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

21 December 2015

HENRY DAVIES (HOLBORN) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
TURNOVER	2	1,585,954	1,721,339
Administrative Expenses		<u>(933)</u>	<u>(946)</u>
OPERATING PROFIT	3	1,585,021	1,720,393
Interest Receivable		<u>17,696</u>	<u>12,333</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,602,717	1,732,726
Tax on Profit on Ordinary Activities	5	<u>(4,000)</u>	<u>(2,000)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,598,717</u>	<u>1,730,726</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 2015

	2015 £	2014 £
Profit for the Financial Year Attributable to the Shareholders	1,598,717	1,730,726
Unrealised Profit on Revaluation of: Listed Investments	<u>20,563,245</u>	<u>23,050,485</u>
Total Gains and Losses Recognised Since the Last Annual Report	<u>22,161,962</u>	<u>24,781,211</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Profit for the financial year	1,598,717	1,730,726
Revaluation of Listed Investments	<u>20,563,245</u>	<u>23,050,485</u>
Net addition to shareholders' funds	22,161,962	24,781,211
Opening shareholders' funds	<u>102,395,500</u>	<u>77,614,289</u>
Closing shareholders' funds	<u>124,557,462</u>	<u>102,395,500</u>

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

HENRY DAVIES (HOLBORN) LIMITED

BALANCE SHEET

31 MARCH 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Investments	6	114,208,016	93,644,771
CURRENT ASSETS			
Debtors	7	11,546,991	9,595,693
Cash at Bank		3,945,908	4,293,556
		<u>15,492,899</u>	<u>13,889,249</u>
CREDITORS: Amounts falling due within one year	8	<u>(5,143,453)</u>	<u>(5,138,520)</u>
NET CURRENT ASSETS		<u>10,349,446</u>	<u>8,750,729</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>124,557,462</u>	<u>102,395,500</u>
CAPITAL AND RESERVES			
Called-Up Equity Share Capital	10	100	100
Revaluation Reserve	11	112,229,608	91,666,363
Other Reserves	12	115,254	115,254
Profit and Loss Account	13	<u>12,212,500</u>	<u>10,613,783</u>
SHAREHOLDERS' FUNDS		<u>124,557,462</u>	<u>102,395,500</u>

These accounts were approved by the Directors and authorised for issue on 21 December 2015, 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 2015

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 the 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 Financial Reporting Standard No. 8 - "Related Party Disclosures" in order to dispense with the requirement to disclose transactions with other companies in the Highdorn Co. Limited group.

Turnover

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

Fixed asset investments

Fixed asset investments are included in the Balance Sheet at the middle market price at that date.

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 undertakings for the surrender of losses under group relief provisions.

Deferred:

The Financial Statements have been prepared in accordance with Financial Reporting Standard No. 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. TURNOVER

Income from fixed asset investments represents dividends received from Daejan Holdings PLC, a company in which Mr BSE Freshwater is a director and is interested in its share capital.

HENRY DAVIES (HOLBORN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

3. OPERATING PROFIT

Operating profit is stated after charging:

	2015 £	2014 £
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. TAXATION ON ORDINARY ACTIVITIES TAXATION

(a) Analysis of charge in the year

	2015 £	2014 £
Current tax:		
Corporation tax	-	-
Consideration Payable for Group Relief	<u>4,000</u>	<u>2,000</u>
Total current tax	<u>4,000</u>	<u>2,000</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 21% (2014 - 23%).

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>1,602,717</u>	<u>1,732,726</u>
Profit on ordinary activities by rate of tax	336,571	398,527
Non - taxable income	(333,050)	(395,908)
Other differences	<u>479</u>	<u>(619)</u>
Total current tax (note 5(a))	<u>4,000</u>	<u>2,000</u>

(c) Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) was substantially enacted on 2 July 2013. A further reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantially enacted on 2 July 2013. In July 2015 the Government announced further reductions in the UK Corporation Tax rate to 19% by 1 April 2017 and to 18% by 1 April 2020. This will reduce the Company's future tax charge accordingly.

In the event of a realisation of the company's investment properties 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 £20,500,000 (2014 - £16,400,000) 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 2015

6. INVESTMENTS

Listed Investments

	£
COST OR VALUATION	
At 1 April 2014	93,644,771
Revaluations	<u>20,563,245</u>
At 31 March 2015	<u>114,208,016</u>
NET BOOK VALUE	
At 31 March 2015	<u>114,208,016</u>
At 31 March 2014	<u>93,644,771</u>

The historical cost of the listed investments at 31 March 2015 is £1,978,408 (2014: £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 £20,500,000 (2014: £16,400,000) and for which no provision has been made in the Financial Statements in accordance with FRS 19.

7. DEBTORS

	2015 £	2014 £
Amounts owed by group undertakings	11,543,930	9,593,930
Prepayments and accrued income	<u>3,061</u>	<u>1,763</u>
	<u>11,546,991</u>	<u>9,595,693</u>

8. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Amounts owed to group undertakings	5,138,507	5,135,587
Consideration payable for group relief	4,000	2,000
Accruals and deferred income	<u>946</u>	<u>933</u>
	<u>5,143,453</u>	<u>5,138,520</u>

9. 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 31 March 2015 was £nil (2014: £696,956).

10. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

HENRY DAVIES (HOLBORN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

11. REVALUATION RESERVE

	2015 £	2014 £
Balance brought forward	91,666,363	68,615,878
Revaluation of Listed Investments	<u>20,563,245</u>	<u>23,050,485</u>
Balance carried forward	<u>112,229,608</u>	<u>91,666,363</u>

12. OTHER RESERVES

	2015 £	2014 £
Capital reserves	<u>115,254</u>	<u>115,254</u>

13. PROFIT AND LOSS ACCOUNT

	2015 £	2014 £
Balance brought forward	10,613,783	8,883,057
Profit for the financial year	<u>1,598,717</u>	<u>1,730,726</u>
Balance carried forward	<u>12,212,500</u>	<u>10,613,783</u>

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is controlled by its immediate parent undertaking, Norman Sinclair (Properties) Limited, a company incorporated in England and Wales.

The parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up is Highdorn Co.Limited, a company incorporated in England and Wales.

Highdorn Co. Limited is controlled by the Freshwater family and family interests.