

First Charles Investments Limited

**Directors' report and financial
statements**

Registered number 01293651

31 March 2012



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2012

Business review

The company did not trade during the year

Dividends

The directors do not recommend the payment of a dividend (2011 £nil)

Directors and directors' interests

The directors who held office during the year were as follows

BSE Freshwater (Chairman)
D Davis

The Articles of Association of the company do not require the directors to retire by rotation

The directors do not have service contracts nor do they receive any emoluments from the company

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company. Their interests, and those of their families and family trusts, in the share capital of the ultimate holding company, Daejan Holdings PLC, are set out in the directors' report of that company

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the 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 auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the board



MRM Jenner
Secretary

Registered Office
Freshwater House
158-162 Shaftesbury Avenue
London WC2H 8HR

5 November 2012

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 these 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of First Charles Investments Limited

We have audited the financial statements of First Charles Investments Limited for the year ended 31 March 2012 set out on pages 4 to 6. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditors' 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 members, 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 2, 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frg.org.uk/apb/scope/private.cfm.

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 2012 and of its result for the year then ended,
- have been properly prepared in accordance with UK 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.

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.

WEJ Holland (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
5 November 2012


Balance sheet
at 31 March 2012

| | <i>Note</i> | 2012 £ | 2011 £ |
|---|-------------|------------------|-----------------|
| Current assets | | | |
| Debtors | 3 | 5,050 | 5,050 |
| Creditors: amounts falling due within one year | 4 | (24,192) | (24,192) |
| Net liabilities | | <u>(19,142)</u> | <u>(19,142)</u> |
| Capital and reserves | | | |
| Called up share capital | 5 | 97 | 97 |
| Other reserve | 6 | 3,730 | 3,730 |
| Profit and loss account | | (22,969) | (22,969) |
| Shareholders' funds deficit | | <u>(19,142)</u> | <u>(19,142)</u> |

Profit and loss account

During the financial year and the preceding financial year the company did not trade, it received no income and incurred no expenditure. Consequently, the company made neither a profit nor a loss and therefore a profit and loss account has not been prepared. The company has no other recognised gains or losses.

These financial statements were approved by the board of directors on 5 November 2012 and were signed on its behalf by


BSE Freshwater
Director

Company registered number 01293651

Notes

(forming part of the financial statements)

1 Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention

The financial statements have been prepared on the going concern basis, notwithstanding the company's net liabilities, which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Daejan Holdings PLC, the company's parent undertaking. Daejan Holdings PLC has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of a UK company.

2 Accounting policies

Income available for distribution

Under the Articles of Association, realised capital profits are not available for distribution as dividends and these profits are taken to a non-distributable reserve.

Related party transactions

The Company has taken advantage of the exemption contained in FRS 8 Related Party Disclosures and has therefore not disclosed transactions or balances with other group companies which are wholly owned by Daejan Holdings PLC.

3 Debtors

| | 2012 £ | 2011 £ |
|--|-----------|-----------|
| Amounts owed by fellow subsidiary undertakings | 5,050 | 5,050 |

4 Creditors: amounts falling due within one year

| | 2012 £ | 2011 £ |
|------------------------------------|-----------|-----------|
| Bank loans and overdrafts | 5 | 5 |
| Amounts owed to parent undertaking | 24,187 | 24,187 |
| | 24,192 | 24,192 |

Notes (continued)

5 Called up share capital

| | 2012 £ | 2011 £ |
|---|-----------|-----------|
| <i>Allotted, called up and fully paid</i> | | |
| 7 Ordinary shares of £1 each | 7 | 7 |
| 90 10% non-cumulative non-voting preference shares of £1 each | 90 | 90 |
| | <hr/> | <hr/> |
| | 97 | 97 |
| | <hr/> | <hr/> |

The preference shares confer the right on the holders to receive a non-cumulative dividend each year at the rate of 10% net on the amounts paid up. These shares would rank above the ordinary shares and be redeemable at par, in the event of the winding up of the company. There are insufficient reserves to pay a dividend.

6 Other reserve

| | 2012 £ | 2011 £ |
|--|-----------|-----------|
| Non-distributable reserve at 1 January and 31 December | 3,730 | 3,730 |
| | <hr/> | <hr/> |

7 Ultimate parent company and parent company of a larger group

The company's ultimate parent company is Daejan Holdings PLC, which is incorporated in Great Britain and registered in England and Wales.

The consolidated financial statements of Daejan Holdings PLC are available to the public and may be obtained from Freshwater House, 158-162 Shaftesbury Avenue, London, WC2H 8HR. No other group financial statements include the results of the company.