

**First Charles Investments Limited**

**Directors' report and financial  
statements**

Registered number 1293651

31 March 2009

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## **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 2009.

### Business review

The company did not trade during the year.

### Dividends

The directors do not recommend the payment of a dividend (2008: *£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.

### 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.

In accordance with section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



MRM Jenner  
*Secretary*

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

11 September 2009

## **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.

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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.



**KPMG Audit Plc**

PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

## **Independent auditors' report to the members of First Charles Investment Limited**

We have audited the financial statements of First Charles Investment Limited for the year ended 31 March 2009 which comprise the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibility for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of Directors Responsibilities on page 2.

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 judgments 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 to the members of First Charles Investment Limited**  
*(continued)*

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its result 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



**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditors*  
London

11 September 2009

**Balance sheet**  
*at 31 March 2009*

	<i>Note</i>	<b>2009</b> <b>£</b>	<b>2008</b> <b>£</b>
<b>Current assets</b>			
Debtors	3	5,050	5,050
<b>Creditors: amounts falling due within one year</b>	4	(24,192)	(24,192)
<b>Net liabilities</b>		<u>(19,142)</u>	<u>(19,142)</u>
<b>Capital and reserves</b>			
Equity share capital		7	7
Non-equity share capital		90	90
Called up share capital	5	97	97
Other reserve	6	3,730	3,730
Profit and loss account		<u>(22,969)</u>	<u>(22,969)</u>
<b>Shareholders' deficit</b>		<u>(19,142)</u>	<u>(19,142)</u>

Other than the non-equity share capital of £90, the shareholders' deficit relates exclusively to equity shareholders' interests.

**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 11 September 2009 and were signed on its behalf by:

  
**BSE Freshwater**  
Director

## Notes

*(forming part of the financial statements)*

### 1 Basis of preparation

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.

### 2 Accounting policies

#### *Basis of accounting*

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

#### *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.

### 3 Debtors

	2009 £	2008 £
Amounts owed by fellow subsidiary undertakings	5,050	5,050

### 4 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	5	5
Amounts owed to parent undertaking	24,187	24,187
	<u>24,192</u>	<u>24,192</u>



## Notes (continued)

### 5 Called up share capital

	2009 £	2008 £
<i>Authorised</i>		
10 ordinary shares of £1 each	10	10
90 10% non-cumulative preference shares of £1 each	90	90
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
7 ordinary shares of £1 each	7	7
90 10% non-cumulative 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

	2009 £	2008 £
Non distributable reserve	3,730	3,730
	<hr/>	<hr/>

### 7 Ultimate holding company and parent undertaking of larger group of which the company is a member

The company's ultimate holding 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 group financial statements include the results of the company.

### 8 Cash flow statement

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.