



**DAWS INVESTMENTS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**



**GERALD EDELMAN**  
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# DAWS INVESTMENTS LIMITED

## CONTENTS

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	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Statement of total recognised gains and losses	5
Balance sheet	6
Notes to the financial statements	7 - 11

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# DAWS INVESTMENTS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

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The directors present their report and financial statements for the year ended 31 December 2004.

### Principal activities and review of the business

The principal activity of the company is that of investment in property.

### Results and dividends

The results for the year are set out on page 4.

An interim dividend was paid amounting to - (2003 £1,377,391). The directors do not recommend payment of a final dividend.

### Directors

The following directors have held office since 1 January 2004:

A.S Cedar  
D.W. Brown  
I S Paul

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2004	1 January 2004
A.S Cedar	-	-
D.W. Brown	-	-
I S Paul	-	-

A.S Cedar and D.W Brown are also directors' of the parent company, Pan Albion Group PLC, and their interests in the shares of that company are shown in its financial statements.

Charitable donations	2004	2003
	£	£
During the year the company made the following payments:		
Charitable donations	500	5

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put to the Annual General Meeting.

# DAWS INVESTMENTS LIMITED

## **DIRECTORS' REPORT (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2004**

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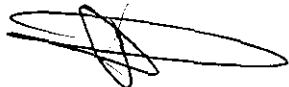
### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

On behalf of the board



A.S Cedar

**Director**

29 June 2005

# DAWS INVESTMENTS LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS OF DAWS INVESTMENTS LIMITED

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We have audited the financial statements of Daws Investments Limited on pages 4 to 11 for the year ended 31 December 2004. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and 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

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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 opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Gerald Edelman

29 June 2005

Chartered Accountants  
Registered Auditor

25 Harley Street  
London  
W1G 9BR

# DAWS INVESTMENTS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 £	2003 £
Turnover	2	916,486	710,430
Administrative expenses		(390,820)	(280,517)
Profit/(loss) on disposal of investment property		150,000	(21,545)
<b>Operating profit</b>	<b>3</b>	<b>675,666</b>	<b>408,368</b>
Other interest receivable and similar income		19,236	71,652
Interest payable and similar charges	5	(624,117)	(390,566)
<b>Profit on ordinary activities before taxation</b>		<b>70,785</b>	<b>89,454</b>
Tax on profit on ordinary activities	6	(2,545)	-
<b>Profit on ordinary activities after taxation</b>		<b>68,240</b>	<b>89,454</b>
Dividends	7	-	(1,377,391)
<b>Retained profit/(loss) for the year</b>	<b>13</b>	<b>68,240</b>	<b>(1,287,937)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

## DAWS INVESTMENTS LIMITED

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2004

	2004 £	2003 £
Profit for the financial year	68,240	89,454
Unrealised surplus on revaluation of properties	4,219,606	514,242
Total recognised gains and losses relating to the year	<u>4,287,846</u>	<u>603,696</u>

### Note of historical cost profits and losses

	2004 £	2003 £
Reported profit on ordinary activities before taxation	70,785	89,454
Realisation of property revaluation gains of previous years	-	1,284,828
Historical cost profit on ordinary activities before taxation	<u>70,785</u>	<u>1,374,282</u>
Historical cost profit/(loss) for the year retained after taxation, extraordinary items and dividends	<u>68,240</u>	<u>(3,109)</u>

# DAWS INVESTMENTS LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £	£	2003 £	£
<b>Fixed assets</b>					
Tangible assets	8	21,350,000		16,405,273	
<b>Current assets</b>					
Debtors	9	1,099,089		607,606	
Cash at bank and in hand		409,556		357,339	
		<u>1,508,645</u>		<u>964,945</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(4,067,480)</u>		<u>(3,873,165)</u>	
<b>Net current liabilities</b>		<u>(2,558,835)</u>		<u>(2,908,220)</u>	
<b>Total assets less current liabilities</b>		18,791,165		13,497,053	
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(10,375,393)</u>		<u>(9,369,127)</u>	
		<u>8,415,772</u>		<u>4,127,926</u>	
<b>Capital and reserves</b>					
Called up share capital	12		2		2
Revaluation reserve	13	8,347,530		4,127,924	
Profit and loss account	13	68,240		-	
<b>Shareholders' funds - equity interests</b>	14	<u>8,415,772</u>		<u>4,127,926</u>	

The financial statements were approved by the Board on 29 June 2005

  
A.S Cedar  
Director



# DAWS INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

#### 1.2 Tangible fixed assets and depreciation

Investment properties are included in the balance sheet at their open market value.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

#### 1.3 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.4 Turnover

The total turnover of the company for the year represents rent receivable and other income from property.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

<b>3 Operating profit</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Auditors' remuneration	1,505	4,787
	<hr/>	<hr/>
<b>4 Investment income</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Bank interest	13,521	71,652
Other interest	5,715	-
	<hr/>	<hr/>
	19,236	71,652
	<hr/>	<hr/>

# DAWS INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

<b>5</b>	<b>Interest payable</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	624,117	390,566
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Taxation</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	2,834	-
	Adjustment for prior years	(289)	-
		<u>          </u>	<u>          </u>
	<b>Current tax charge</b>	<b>2,545</b>	<b>-</b>
		<u>          </u>	<u>          </u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	70,785	89,454
		<u>          </u>	<u>          </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	21,236	26,836
		<u>          </u>	<u>          </u>
	Effects of:		
	Adjustments to previous periods	(289)	-
	Other tax adjustments	(18,402)	(26,836)
		<u>          </u>	<u>          </u>
		(18,691)	(26,836)
		<u>          </u>	<u>          </u>
	<b>Current tax charge</b>	<b>2,545</b>	<b>-</b>
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Dividends</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	Ordinary interim paid	-	1,377,391
		<u>          </u>	<u>          </u>

# DAWS INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

### 8 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Total £
<b>Cost or valuation</b>			
At 1 January 2004	15,490,273	915,000	16,405,273
Additions	725,121	-	725,121
Revaluation	4,034,606	185,000	4,219,606
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2004	20,250,000	1,100,000	21,350,000
	<u>          </u>	<u>          </u>	<u>          </u>

No provision has been made for taxation which might become payable if the investment properties were sold at the amount at which they are included in the financial statements. If the properties were sold at that amount, the potential liability to taxation would be approximately £2.35 million.

The investment properties were valued by the directors as at 31 December 2004 on an open market value basis. The historical cost of the properties totalled £13,002,470 at the balance sheet date.

### 9 Debtors

	2004 £	2003 £
Amounts owed by group undertakings	421,251	-
Other debtors	677,838	607,606
	<u>          </u>	<u>          </u>
	1,099,089	607,606
	<u>          </u>	<u>          </u>

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

	2004 £	2003 £
Bank loans (note 10)	-	113,873
Amounts owed to group undertakings	3,634,894	3,504,279
Corporation tax	2,834	-
Other taxes and social security costs	17,846	2,995
Other creditors	102,279	92,641
Accruals and deferred income	309,627	159,377
	<u>          </u>	<u>          </u>
	4,067,480	3,873,165
	<u>          </u>	<u>          </u>

# DAWS INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

11 Creditors: amounts falling due after more than one year	2004 £	2003 £
Bank loans	10,375,393	9,369,127
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments:		
Bank loans	-	9,483,000
Wholly repayable within five years	10,375,393	-
	10,375,393	9,483,000
Included in current liabilities	-	(113,873)
	10,375,393	9,369,127

The bank loans are secured by various charges on certain of the company's freehold and leasehold properties. Interest is payable at variable rates above base rate.

12 Share capital	2004 £	2003 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	2	2

13 Statement of movements on reserves	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2004	4,127,924	-
Retained profit for the year	-	68,240
Revaluation during the year	4,219,606	-
Balance at 31 December 2004	8,347,530	68,240

# DAWS INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

14 Reconciliation of movements in shareholders' funds	2004 £	2003 £
Profit for the financial year	68,240	89,454
Dividends	-	(1,377,391)
	<hr/>	<hr/>
	68,240	(1,287,937)
Other recognised gains and losses	4,219,606	514,242
	<hr/>	<hr/>
Net addition to/(depletion in) shareholders' funds	4,287,846	(773,695)
Opening shareholders' funds	4,127,926	4,901,621
	<hr/>	<hr/>
Closing shareholders' funds	8,415,772	4,127,926
	<hr/>	<hr/>

### 15 Employees

#### Number of employees

There were no employees during the year apart from the directors.

### 16 Control

The company is a wholly owned subsidiary of Pan Albion Group PLC.

### 17 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

Included in debtors is an amount due from Cedar Brown Limited, a company in which the directors have a material interest, of £675,638 (2003 £607,606). There are no specific repayment terms or interest attached to this amount. Management charges of £72,500 (2003 £123,357) were charged by Cedar Brown Limited in the year under review.