

Company Registration No. 283393 (England and Wales)

SHAW WALLACE OVERSEAS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004



SHAW WALLACE OVERSEAS LIMITED

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SHAW WALLACE OVERSEAS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004

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

Principal activities

The principal activity of the company was that of one which receives royalties.

Directors

The following directors have held office since 1 April 2003:

K C Wazir
T S Shettigar
V Chhabria
D Chaudhuri
K N Channa

Directors' interests

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

	Ordinary of £ 1 each	
	31 March 2004	1 April 2003
K C Wazir	-	-
T S Shettigar	-	-
V Chhabria	-	-
D Chaudhuri	-	-
K N Channa	-	-

Auditors

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

SHAW WALLACE OVERSEAS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004

Directors' responsibilities

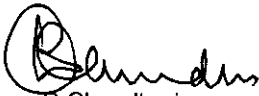
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



D Chaudhuri

Director

15 May 2004

SHAW WALLACE OVERSEAS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SHAW WALLACE OVERSEAS LIMITED

We have audited the financial statements of SHAW WALLACE OVERSEAS LIMITED on pages 4 to 9 for the year ended 31 March 2004. These financial statements have been prepared under the historical cost convention 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 the 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 audit 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.

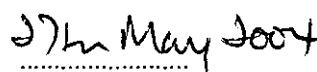
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Crane & Partners
Chartered Accountants
Registered Auditor



Sussex House
8-10 Homesdale Road
Bromley
Kent
BR2 9LZ

SHAW WALLACE OVERSEAS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 £	2003 £
Turnover	3	80,000	80,000
Administrative expenses		(63,791)	(62,396)
Operating profit		16,209	17,604
Other interest receivable and similar income		1,459	368
Interest payable and similar charges		(3,766)	-
Profit on ordinary activities before taxation		13,902	17,972
Tax on profit on ordinary activities		(22,769)	(23,392)
Loss on ordinary activities after taxation	10	(8,867)	(5,420)

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

There are no recognised gains and losses other than those passing through the profit and loss account.

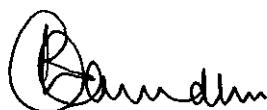
SHAW WALLACE OVERSEAS LIMITED

BALANCE SHEET AS AT 31 MARCH 2004

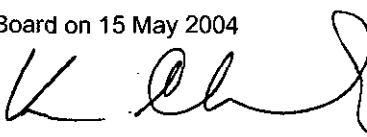
	Notes	2004 £	£	2003 £	£
Fixed assets					
Intangible assets	7		10,000		70,000
Investments	8		-		3,400
		
			10,000		73,400
Current assets					
Debtors		104,049		137,343	
Cash at bank and in hand		86,520		60,841	
		
		190,569		198,184	
Creditors: amounts falling due within one year	9	(34,591)		(96,739)	
		
Net current assets			155,978		101,445
		
Total assets less current liabilities			165,978		174,845
		
Capital and reserves					
Called up share capital			357,745		357,745
Revaluation reserve	10		-		2,424
Profit and loss account	10		(191,767)		(185,324)
		
Shareholders' funds - equity interests	11		165,978		174,845
		

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 15 May 2004



D Chaudhuri
Director



K N Channa
Director

SHAW WALLACE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of fixed asset investments.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Patents and Royalties

Patents and royalties are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives being ten years.

1.4 Investments

Fixed asset investments traded on a recognised Exchange are stated at market value. All other fixed asset investments are stated at cost. A provision is made only for a permanent diminution in value.

1.5 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.

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

7 Intangible fixed assets

	Patents and royalties £
Valuation	
At 1 April 2003 & at 31 March 2004	300,000
Amortisation	
At 1 April 2003	230,000
Charge for year	60,000
At 31 March 2004	290,000
Net book value	
At 31 March 2004	10,000
At 31 March 2003	70,000

SHAW WALLACE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

8 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Valuation			
At 1 April 2003	3,400	-	3,400
Adjustment of cost on account of demerger	(1,700)	1,700	-
Transfer	(1,700)	(1,700)	(3,400)

At 31 March 2004	-	-	-

Listed investments comprise 15,187 ordinary shares of SLRs.10 each in Lee Hedges & Company Limited (formerly Shaw Wallace Hedges & Company Ltd), a group company incorporated in Sri Lanka. The unlisted investments comprises of 3,797 ordinary shares and 11,390 non-voting shares of SL Rs 10 each of Shaw Wallace Distributors Ltd, issued to the shareholders of Lee Hedges & Company Ltd on account of demerger of certain businesses into Shaw Wallace Distributors Ltd.

9 Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	2,325	2,325
Amounts owed to parent and fellow subsidiary undertakings	7,497	7,497
Taxation and social security	22,769	84,917
Other creditors	2,000	2,000

	34,591	96,739

10 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2003	2,424	(185,324)
Retained loss for the year	-	(8,867)
Transfer from revaluation reserve to profit and loss account	(2,424)	2,424

Balance at 31 March 2004	-	(191,767)

SHAW WALLACE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

11 Reconciliation of movements in shareholders' funds	2004 £	2003 £
Loss for the financial year	(8,867)	(5,420)
Opening shareholders' funds	174,845	180,265

Closing shareholders' funds	165,978	174,845

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Valuation	
At 1 April 2003 & at 31 March 2004	300,000

Amortisation	
At 1 April 2003	230,000
Charge for year	60,000

At 31 March 2004	290,000

Net book value	
At 31 March 2004	10,000

At 31 March 2003	70,000

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Transfer	(1,700)	(1,700)	(3,400)

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SHAW WALLACE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

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		£	£
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		£	£
	Balance at 1 April 2003	2,424	(185,324)
	Retained loss for the year	-	(8,867)
	Transfer from revaluation reserve to profit and loss account	(2,424)	2,424
	
	Balance at 31 March 2004	-	(191,767)
	
11	Reconciliation of movements in shareholders' funds	2004	2003
		£	£
	Loss for the financial year	(8,867)	(5,420)
	Opening shareholders' funds	174,845	180,265
	
	Closing shareholders' funds	165,978	174,845
	