

LAW DEBENTURE OVERSEAS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003

REGISTERED NUMBER: 1471194



LAW DEBENTURE OVERSEAS LIMITED

DIRECTORS

C.J. Banszky
D. M. Anderson
J.R. Mason-Jebb
R.J. Williams

REGISTERED OFFICE

Fifth Floor
100 Wood Street
London EC2V 7EX

NOTICE OF MEETING

Notice is hereby given that the twenty-third annual general meeting of the company will be held on 30th March 2004 at Fifth Floor, 100 Wood Street, London EC2V 7EX for the following purposes:

1. To consider and approve the report of the directors and the financial statements for the year ended 31 December 2003.
2. To re-appoint PKF as the company's auditors, and to authorise the directors to determine their remuneration.

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not be a member. Any instrument appointing a proxy must be received at the registered office before the time fixed for the meeting.

By order of the board



Law Debenture Corporate Services Limited

Secretary

30 March 2004

LAW DEBENTURE OVERSEAS LIMITED

DIRECTORS' REPORT

The directors present to the members their report and the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company carries out trustee business. The directors presently have no plans for the further development of the company.

RESULTS

The company did not trade in the year (2002: Loss £97) and the directors recommend no dividend for the year, (2002: Nil). There is a £3 accumulated reserve carried forward.

DIRECTORS

The directors of the company during the financial year were as follows:

D.M. Anderson

C.J. Banzsky

J.R. Mason-Jebb

D.F. Norris (Resigned 16 October 2003)

R.J. Williams

During the year, the company maintained liability insurance for the benefit of directors and other officers.

DIRECTORS' INTERESTS

As at 31 December 2003 no director had a beneficial interest in the share capital of the company. The beneficial interests of C.J. Banzsky and R.J. Williams in the ordinary shares of The Law Debenture Corporation p.l.c., the company's ultimate holding company, are shown in the report and financial statements of that company. The beneficial interests of D.M. Anderson and J.R. Mason-Jebb in the ordinary shares of The Law Debenture Corporation p.l.c. are shown in the report and financial statements of L.D.C. Trust Management Limited.

AUDITORS

A resolution to re-appoint PKF as the company's auditors will be proposed at the Annual General Meeting.

By order of the Board



Law Debenture Corporate Services Limited

Secretary

30 March 2004

LAW DEBENTURE OVERSEAS LIMITED

STATEMENT OF 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.

The directors are responsible for ensuring that the directors' report is prepared in accordance with company law in the United Kingdom.

LAW DEBENTURE OVERSEAS LIMITED

INDEPENDENT AUDITORS' REPORT

To The Members of Law Debenture Overseas Limited

We have audited the financial statements of Law Debenture Overseas Limited for the year ended 31 December 2003 which comprise the profit and loss account, 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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 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.

LAW DEBENTURE OVERSEAS LIMITED

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 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

AKF

PKF

Registered Auditors

London

30 March 2004

LAW DEBENTURE OVERSEAS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER

		2003	2002
		£	£
	Notes		
TURNOVER	2	-	-
		<hr/>	<hr/>
		-	-
ADMINISTRATIVE EXPENSES	3 & 4	-	(97)
		<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(97)
Taxation on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	(97)
Dividends	6	-	-
		<hr/>	<hr/>
RETAINED (LOSS/PROFIT) FOR THE YEAR		-	(97)
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		3	100
		<hr/>	<hr/>
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		3	3
		<hr/>	<hr/>

There are no recognised gains or losses other than the result for the year.

Income and profit on ordinary activities before taxation relate exclusively to continuing operations.

The annexed notes form part of these financial statements.

LAW DEBENTURE OVERSEAS LIMITED

BALANCE SHEET - 31 DECEMBER

	Notes	2003 £	2002 £
CURRENT ASSETS			
DEBTORS			
Amounts due from group undertakings		477	476
Trustee expenses recoverable		2,500	2,500
Prepayments and accrued income		-	-
		<u>2,977</u>	<u>2,976</u>
Cash at bank and in hand		-	751
		<u>2,977</u>	<u>3,727</u>
CREDITORS			
Amounts falling due within one year			
Corporation tax	5	-	-
Trustee expenses payable		(2,967)	(2,938)
Other creditors		-	(779)
Proposed dividend	6	-	-
		<u>(2,967)</u>	<u>(3,717)</u>
NET CURRENT ASSETS		<u>10</u>	<u>10</u>
CAPITAL AND RESERVES			
Called up share capital	7	7	7
Profit and Loss Account		<u>3</u>	<u>3</u>
SHAREHOLDERS' FUNDS (all equity interests)	8	<u>10</u>	<u>10</u>

Approved by the Board on 30 March 2004
and signed on its behalf by

C.J. Banzky

)
)
) Directors

R.J. Williams

)
)

Caroline Banzky
R.J. Williams

The annexed notes form part of these financial statements.

LAW DEBENTURE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

1. STATEMENT OF ACCOUNTING POLICIES

- (i) **Convention:** The financial statements have been prepared in accordance with the historical cost convention and in accordance with applicable accounting standards.
- (ii) **Recognition of income and expenses:** Bank deposit interest receivable, recurring fees receivable, administrative expenses and interest payable are all accounted for on an accruals basis; where single payments are received relating to trusteeships with a duration of one or more years, that part relating to the year of receipt is accounted for on an accruals basis with the balance deferred into the future years; fees calculated by reference to time spent are credited when billed; other non-recurring fees are recognised on a receipts basis; where expenses are recoverable from third parties, the recoveries and expenses are not included as income or expense.
- (iii) **Foreign currencies:** Transactions recorded in foreign currencies during the year are translated into sterling at the appropriate daily exchange rate. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the exchange rate ruling at that date.
- (iv) **Cash flow statement:** The company is a wholly owned subsidiary of The Law Debenture Corporation p.l.c. (a company incorporated in England) and is included in the consolidated financial statements of that company whose financial statements are publicly available. Consequently, the Company has taken advantage of the exceptions from preparing a cash flow statement under the terms of FRS1 (revised 1996).
- (v) **Deferred taxation:** Deferred taxation is provided for using the full provision method following the adoption of Financial Reporting Standard No. 19. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. TURNOVER

The company did not trade in the year.

3. ADMINISTRATIVE EXPENSES

	2003	2002
	£	£
Administrative expenses include the following:		
Management fee	-	-
Auditors' remuneration	-	-
Bank charges	-	97

LAW DEBENTURE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

The administration of the company is undertaken by its immediate holding company (L.D.C Trust Management Limited) for which it was charged a management fee of £Nil (2002: £Nil). Audit fees paid in the year amounted to £Nil (2002: £Nil). Non-audit fees paid to the auditors during the year amounted to £Nil (2002: £Nil).

4. EMPLOYEE INFORMATION AND DIRECTORS' EMOLUMENTS

There were no employees during the year (2002: Nil).

The directors received no emoluments in respect of their services to the company during the year (2002: £Nil) but they were remunerated for their services to the group as a whole by The Law Debenture Corporation p.l.c., which acts as the employing company for the group.

5. (a) ANALYSIS OF TAXATION CHARGE

	2003	2002
	£	£
Current tax:		
UK Corporation tax at 19% (2002:19.25%)	-	-
Total current tax (note b)	<u>-</u>	<u>-</u>

(b) FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR

	2003	2002
	£	£
Profit on ordinary activities before tax	<u>-</u>	<u>-</u>
Profit on ordinary activities multiplied by the standard rate of UK Corporation tax at 30%	-	-
Effects of:		
Tax paid at small companies rate	<u>-</u>	<u>-</u>
Current tax charge for year (Note (a))	<u>-</u>	<u>-</u>

(c) FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The company has now ceased to actively trade.

LAW DEBENTURE OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

6. DIVIDEND	2003	2002
	£	£
Dividend on ordinary shares comprises the following:		
Proposed final dividend of £		
(2002: £ Nil)per share	<u>-</u>	<u>-</u>
7. SHARE CAPITAL		
Authorised: 100 shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid share capital:		
7 shares of £1 each	<u>7</u>	<u>7</u>
8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		
Loss /Profit for the year available for distribution	-	(97)
Proposed dividend	<u>-</u>	<u>-</u>
Net movement in shareholders' funds	-	(97)
Shareholders' funds at 1 January	<u>10</u>	<u>107</u>
Shareholders' funds at 31 December	<u>10</u>	<u>10</u>
9. HOLDING COMPANY		
All the issued share capital of the company is owned by L.D.C. Trust Management Limited, a company registered in England & Wales. The ultimate holding company is The Law Debenture Corporation p.l.c., a company registered in England & Wales. Copies of the group financial statements of The Law Debenture Corporation p.l.c. can be obtained from The Secretary, The Law Debenture Corporation p.l.c., Fifth Floor, 100 Wood Street, London EC2V 7EX.		
10. RELATED PARTY TRANSACTIONS		
As a wholly owned subsidiary of The Law Debenture Corporation p.l.c., the company has taken advantage of the exemption contained within Financial Reporting Standard No. 8 (Related Party Transactions) not to disclose related party transactions with other members of the Group.		