

LAW DEBENTURE OVERSEAS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1998

REGISTERED NUMBER: 1471194



LAW DEBENTURE OVERSEAS LIMITED

DIRECTORS

C.C.B. Duffett
D. M. Anderson
J.R. Mason-Jebb
D.F. Norris
R.J. Williams

REGISTERED OFFICE

Princes House
95 Gresham Street
London EC2V 7LY


NOTICE OF MEETING

Notice is hereby given that the nineteenth annual general meeting of the company will be held on 25 March 1999 at Princes House, 95 Gresham Street, London EC2V 7LY for the following purposes:-

1. To consider and approve the report of the directors and the accounts for the year ended 31 December 1998.
2. To declare a dividend in respect of the year ended 31 December 1998.
3. To re-appoint PricewaterhouseCoopers as registered auditors, the Company having been previously been appointed by the Board to fill the casual vacancy arising by reason of the resignation of Price Waterhouse 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
25 March 1999

LAW DEBENTURE OVERSEAS LIMITED

DIRECTORS' REPORT

The directors present to the members their report and the accounts of the company for the year ended 31 December 1998.

BUSINESS OF THE COMPANY

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

YEAR 2000 COMPLIANCE

As a result of the parent company's policy of continual systems upgrade, there have been no material costs incurred in Year 2000 compliance borne on behalf of the Company.

EURO

Since the Company's business is primarily conducted in the London markets and fees and expenses are largely denominated in sterling, there have been few direct currency implications arising from the introduction of the euro earlier this year.

RESULTS

The company's profit after taxation for the year was £14,370 (1997: £14,841) which is equal to the proposed dividend (1997: £14,841). There are no accumulated reserves carried forward.

DIRECTORS

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

C.C.B. Duffett
D.M. Anderson
J.R. Mason-Jebb

D.F. Norris
R.J. Williams

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


DIRECTORS' INTERESTS

No director has a beneficial interest in the share capital of the company. The beneficial interests of C.C.B. Duffett, 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 accounts of that company. The beneficial interests of D.M. Anderson, J.R. Mason-Jebb and D.F. Norris are shown in the report and accounts of L.D.C. Trust Management Limited.

AUDITORS

Our auditors, Price Waterhouse, merged with Coopers & Lybrand on 1st July 1998 and a resolution to re-appoint the new firm, PricewaterhouseCoopers, as auditors to the company, will be proposed at the Annual General Meeting.

By order of the board



Law Debenture Corporate Services Limited

Secretary

25 March 1999

DIRECTORS' STATEMENT OF RESPONSIBILITIES IN RELATION TO THE ACCOUNTS

The directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that, in preparing the financial statements on pages 5 to 8, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors 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.

The directors are of the view that it is appropriate to continue to adopt the going concern basis in preparing the accounts, as they believe that there are adequate resources available.

LAW DEBENTURE OVERSEAS LIMITED

REPORT OF THE AUDITORS

to The Members of Law Debenture Overseas Limited

Southwark Towers
32 London Bridge Street
London SE1 9SY

We have audited the financial statements on pages 5 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the Annual Report, including as described on pages 5 to 8 of the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our professions ethical guidance.

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. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

BASIS OF OPINION

We conducted our audit in accordance with 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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
And Registered Auditors
London
25 March 1999

LAW DEBENTURE OVERSEAS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER**

		1998 £'000	1997 £'000
	Notes		
INCOME			
Trustee fees	2	54	54
Interest receivable from group undertakings		-	1
		<u>54</u>	<u>55</u>
<u>Less: Administration expenses</u>	3 & 4	<u>(36)</u>	<u>(36)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
		18	19
Taxation on profit on ordinary activities.....	5	(4)	(4)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			
		14	15
Dividends.....	6	<u>(14)</u>	<u>(15)</u>
RETAINED RESULT FOR THE YEAR.....		-	-
RETAINED RESERVES BROUGHT FORWARD		-	-
RETAINED RESERVES CARRIED FORWARD		<u>-</u>	<u>-</u>

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

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

The annexed notes form part of these accounts.


LAW DEBENTURE OVERSEAS LIMITED

BALANCE SHEET - 31 DECEMBER


	Notes	1998 £'000	1997 £'000
CURRENT ASSETS			
Debtors:			
Amounts due from group undertakings ..		13	13
Trustee expenses recoverable		4	18
Prepayments and accrued income		14	14
		<u>31</u>	<u>45</u>
Cash at bank		28	2
		<u>59</u>	<u>47</u>
CREDITORS:			
amounts falling due within one year			
Taxation	5	(4)	(4)
Trustee expenses payable		(38)	(27)
Other creditors		(3)	(1)
Proposed dividend	6	<u>(14)</u>	<u>(15)</u>
		(59)	(47)
NET CURRENT ASSETS		<u>-</u>	<u>-</u>
CAPITAL AND RESERVES			
Share capital (7 Shares of £1.00 each) ...	7	-	-
SHAREHOLDERS' FUNDS (all equity interests)		<u>-</u>	<u>-</u>

Approved by the Board on 25 March 1999
and signed on its behalf by

C.C.B. Duffett

) 
)
) Directors

R.J. Williams

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The annexed notes form part of these accounts.

NOTES TO THE ACCOUNTS - 31 DECEMBER 1998

1. STATEMENT OF ACCOUNTING POLICIES

- (i) **Convention:** The accounts have been prepared in accordance with the historical cost convention and in accordance with applicable accounting standards.
- (ii) **Recognition of income and expenses:** Recurring fees receivable, management fees, administration expenses and interest charges are accounted for on an accruals basis. Non-recurring fees are recognised on a receipts basis. Where trustee expenses are recoverable from third parties, the recoveries and expenses are not included as income or expenses.
- (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 exempt from preparing a cash flow statement as it is a wholly owned subsidiary of The Law Debenture Corporation p.l.c., a company incorporated in England and Wales.

2. TRUSTEE AND OTHER FEES - Geographical Analysis

Trustee fees relate solely to work done in the United Kingdom on overseas trusts.

3. ADMINISTRATION EXPENSES	1998	1997
	£	£
Administration expenses include the following:	£'000	£'000
Management fee:	35	35
Auditors' remuneration:	1	1

The administration of the company is undertaken by its immediate holding company (LDC Trust Management Limited) for which it was charged a management fee of £35,000 (1997: £35,000). Audit fees paid in the year amounted to £650 (1997: £630). Non-audit fees paid to the auditors during the year amounted to £Nil (1997: £Nil).

4. EMPLOYEE INFORMATION AND DIRECTORS' EMOLUMENTS

There were no employees during the year (1997: Nil). The directors received no emoluments in respect of their services to the company during the year (1997: £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.

LAW DEBENTURE OVERSEAS LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1998

5. TAXATION	1998	1997
	£'000	£'000
Corporation tax at 31% (1997: 31.5%) on the profit before taxation	<u>4</u>	<u>4</u>
6. DIVIDEND	1998	1997
	£'000	£'000
Dividend on ordinary shares comprises the following: Proposed final dividend of £2,052.86 per share (1997: £2,120.14 per share).....	<u>14</u>	<u>15</u>
7. SHARE CAPITAL	1998	1997
Authorised: 100 shares of £1 each	<u>£100</u>	<u>£100</u>
Issued and called up: 7 shares of £1 each	<u>£7</u>	<u>£7</u>
8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	1998	1997
	£'000	£'000
Revenue profit available for distribution	14	15
Proposed dividend.....	<u>(14)</u>	<u>(15)</u>
Net movement in shareholders' funds	-	-
Shareholders' funds at 1 January	-	-
Shareholders' funds at 31 December	<u>-</u>	<u>-</u>
9. HOLDING COMPANY		
All the issued share capital of the Company is owned by LDC Trust Management Limited, a company registered in England. The ultimate holding company is The Law Debenture Corporation p.l.c., a company registered in England. Copies of the group accounts of The Law Debenture Corporation p.l.c. can be obtained from The Secretary, The Law Debenture Corporation p.l.c., Princes House, 95 Gresham Street, London EC2V 7LY.		
10. RELATED PARTY TRANSACTIONS		
As a wholly owned subsidiary of The Law Debenture Corporation p.l.c., the corporation 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.		

LDO/nc
26-Feb-99