

LAW DEBENTURE OVERSEAS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1999

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 twentieth annual general meeting of the Company will be held on 14 March 2000 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 1999.
2. To declare a dividend in respect of the year ended 31 December 1999.
3. To re-appoint PricewaterhouseCoopers 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
14 March 2000

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 1999.

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.

RESULTS

The Company's profit after taxation for the year was £14,425 (1998: £14,370) which is equal to the proposed dividend (1998: £14,370). 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.

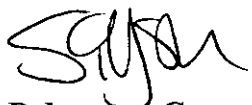
DIRECTORS' INTERESTS

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

A resolution to re-appoint our auditors PricewaterhouseCoopers as registered auditors will be proposed at the Annual General Meeting.

By order of the board



Law Debenture Corporate Services Limited
Secretary
14 March 2000

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.

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. As described on page 3, this includes responsibility for preparing the accounts in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the United Kingdom 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 Audit 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 accounts give a true and fair view of the state of the Company's affairs as at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Andrew Cooper

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
14 March 2000

LAW DEBENTURE OVERSEAS LIMITED

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

		1999 £'000	1998 £'000
	Notes		
INCOME			
Trustee fees	2	54	54
Interest receivable from group undertakings		<u>54</u>	<u>-</u>
			54
<u>Less: Administration expenses</u>	3 & 4	<u>(36)</u>	<u>(36)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		18	18
Taxation on profit on ordinary activities.....	5	(4)	(4)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		14	14
Dividends.....	6	<u>(14)</u>	<u>(14)</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.

BALANCE SHEET - 31 DECEMBER

Page 6

NOTES TO THE ACCOUNTS - 31 DECEMBER 1999

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	1999	1998
	£	£
Administration expenses include the following:	£'000	£'000
Management fee:	35	35
Auditors' remuneration:	<u>1</u>	<u>1</u>

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 £35,000 (1998: £35,000). Audit fees paid in the year amounted to £700 (1998 £650) Non-audit fees paid to the auditors during the year amounted to £Nil (1998: £Nil).

4. EMPLOYEE INFORMATION AND DIRECTORS' EMOLUMENTS

There were no employees during the year (1998: None). The directors received no emoluments in respect of their services to the Company during the year (1998: £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 1999

5. TAXATION	1999	1998
	£'000	£'000
Corporation tax at 20.25% (1998: 21%) on the profit before taxation	<u>4</u>	<u>4</u>
6. DIVIDEND	1999	1998
	£'000	£'000
Dividend on ordinary shares comprises the following: Proposed final dividend of £2,060.71 per share (1998: £2,052.86 per share).....	<u>14</u>	<u>14</u>
7. SHARE CAPITAL	1999	1998
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	1999	1998
	£'000	£'000
Revenue profit available for distribution	14	14
Proposed dividend.....	<u>(14)</u>	<u>(14)</u>
Net movement in shareholders' funds	-	-
Shareholders' funds at 1 January	<u>-</u>	<u>-</u>
Shareholders' funds at 31 December	<u>-</u>	<u>-</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. 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 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.		

LDO/nc
13-Mar-00