

LAW DEBENTURE OVERSEAS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

REGISTERED NUMBER: 1471194



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LAW DEBENTURE OVERSEAS LIMITED

DIRECTORS

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

REGISTERED OFFICE

Fifth Floor
100 Wood Street
London EC2V 7EX

NOTICE OF MEETING

Notice is hereby given that the twenty-second annual general meeting of the Company will be held on 26th March 2002 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 2001.
2. To declare a dividend in respect of the year ended 31 December 2001.
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
26 March 2002

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 2001.

BUSINESS OF THE COMPANY

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

RESULTS

The Company's profit after taxation for the year was £20,452 (2000: £15,115) and the directors recommend a dividend of £2,907.43 per share be paid for the year, (2000: £15,115). There are £100 accumulated reserves carried forward.

DIRECTORS

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

D.M. Anderson

C.J. Banzky (Appointed 13 February 2002)

C.C.B. Duffett

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 financial statements of that company. The beneficial interests of D.M. Anderson, J.R. Mason-Jebb and D.F. Norris 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.

C.J. Banzky holds 19 shares in the Ordinary Share capital of The Law Debenture Corporation p.l.c.

AUDITORS

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

By order of the board



Law Debenture Corporate Services Limited

Secretary

26 March 2002

LAW DEBENTURE OVERSEAS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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 financial statements , as they believe that there are adequate resources available.

LAW DEBENTURE OVERSEAS LIMITED

INDEPENDENT AUDITORS REPORT

to The Members of Law Debenture Overseas Limited

We have audited the financial statements which comprise of the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board.

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 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 financial statements give a true and fair view of the state of the company's affairs at 31 December 2001 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
Southwark Towers
32 London Bridge Street
London SE1 9SY

26 March 2002

LAW DEBENTURE OVERSEAS LIMITED

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

		2001 £	2000 £
	Notes		
OPERATING INCOME			
Trustee fees	2	44,315	54,000
		<u>44,315</u>	<u>54,000</u>
ADMINISTRATIVE EXPENSES	3 & 4	(20,878)	(35,885)
		<u> </u>	<u> </u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION.....		23,437	18,115
Taxation on profit on ordinary activities	5	(2,885)	(3,000)
		<u> </u>	<u> </u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		20,552	15,115
Dividends.....	6	<u>(20,452)</u>	<u>(15,115)</u>
RETAINED PROFIT FOR THE YEAR.....		100	-
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		-	-
		<u> </u>	<u> </u>
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		<u>100</u>	<u>-</u>

There are no recognised gains or losses other than the profit for the year as shown above, and therefore no separate statement of total recognised gains or losses has been presented.

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

BALANCE SHEET - 31 DECEMBER		2001	2000
	Notes	£	£
CURRENT ASSETS			
Amounts due from group undertakings ..		14,650	3,060
Trustee expenses recoverable		25,496	20,000
Prepayments and accrued income		13,500	13,500
		<u>53,646</u>	<u>36,560</u>
Cash at bank.....		377	5,841
		<u>54,023</u>	<u>42,401</u>
CREDITORS			
Amounts falling due within one year			
Taxation.....	5	(2727)	(3,000)
Trustee expenses payable		(29,958)	(23,500)
Other creditors		(779)	(779)
Proposed dividend.....	6	(20,452)	(15,115)
		<u>(53,916)</u>	<u>(42,394)</u>
NET CURRENT ASSETS		<u>107</u>	<u>7</u>
CAPITAL AND RESERVES			
Called up share capital			
(7 shares of £1.00 each)	7	7	7
Profit and Loss Account		100	0
SHAREHOLDERS' FUNDS (all equity interests)	8	<u>107</u>	<u>7</u>

Approved by the Board on 26 March 2002
and signed on its behalf by

C.C.B. Duffett

)
)
) Directors

R.J. Williams

The annexed notes form part of these financial statements.

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:** 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 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).

2. TRUSTEE AND OTHER FEES - Geographical Analysis

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

3. ADMINISTRATIVE EXPENSES

	2001	2000
	£	£
Administration expenses include the following:	£	£
Management fee:	20,000	35,000
Auditors' remuneration:	750	750

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 £20,000 (2000: £35,000). Audit fees paid in the year amounted to £750 (2000 £750) Non-audit fees paid to the auditors during the year amounted to £Nil (2000: £Nil).

4. EMPLOYEE INFORMATION AND DIRECTORS' EMOLUMENTS

There were no employees during the year (2000: Nil).

The directors received no emoluments in respect of their services to the Company during the year (2000: £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. TAXATION	2001	2000
	£	£
Corporation tax at 20% (2000: 20.00%) on the profit before taxation	2,727	3,000
Prior year adjustment	158	
	<u>2,885</u>	<u>3,000</u>
6. DIVIDEND	2001	2000
	£	£
Dividend on ordinary shares comprises the following: Proposed final dividend of £2,907.42 per share (2000: £2,136.71 per share).....	<u>20,452</u>	<u>15,115</u>
7. SHARE CAPITAL	2001	2000
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	2001	2000
	£	£
Profit for the year available for distribution.....	20,552	15,115
Proposed dividend.....	<u>(20,452)</u>	<u>(15,115)</u>
Net movement in shareholders' funds	100	-
Shareholders' funds at 1 January	<u>7</u>	<u>7</u>
Shareholders' funds at 31 December	<u>107</u>	<u>7</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.

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