

Company No:
2184859

FIRST DEBENTURE FINANCE PLC
Report and Financial Statements
for the year ended 30 September 1999



FIRST DEBENTURE FINANCE PLC

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report and the audited financial statements for the year 1 October 1998 to 30 September 1999.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

First Debenture Finance PLC was formed in 1987 as a vehicle to raise money by the issue of £80 million 11.125% severally guaranteed debenture stock 2018. This debenture stock has been severally guaranteed by four investment trusts managed by Dresdner RCM Global Investors (UK) Limited in accordance with the terms of the Debenture Stock Trust Deed.

The proceeds were applied in subscribing bonds and notes issued by four investment trusts under the management of Dresdner RCM Global Investors (UK) Limited and in investing in certificates of deposit and fixed rate bonds issued by the Halifax plc out of which the Company will service the debenture. The bonds and notes issued by the investment trusts provide for interest on the initial principal amounts to be paid during the first ten years at stepped rates rising to rates in the eleventh year which will continue for the remainder of the life of the bonds and notes. Further adjustments to the amounts of interest payable may be made on the occurrence of certain specified events.

RESULTS AND DIVIDENDS

The results of the Company for the year are set out in detail on page 5. A profit of £31,031 has been credited to reserves (1998 - £239,787). The directors do not recommend the payment of a dividend (1998 - £Nil).

DIRECTORS

The directors who held office during the year under review were as follows:-

S D Fowler	A R Marlow	(resigned 24 November 1999)
D J Joyce	S M Hoy	(resigned 29 December 1998)
D J Parfitt	A G F Keogan	(alternate to D Joyce appointed 29 December 1998)
B C R Siddons		
S R T White	N Lanning	(appointed 24 November 1999)

None of the directors had during the year, directly or indirectly, a material beneficial interest in any contract to which the Company was a party and which is or was significant in relation to the Company's business.

Directors do not have service contracts and hold office in accordance with the provisions of the articles of association of the Company.

DIRECTORS' INTERESTS

None of the directors had any interest in the share capital of the Company at any time during the year. The directors listed below had the following interests in the ordinary shares of Lloyds TSB Group plc, the Company's parent Company, at the beginning and end of the year:-

	Ordinary shares of 25p each 30 September 1999	Ordinary shares of 25p each 30 September 1998 *
D J Joyce	3,989	3,242
D J Parfitt	38,748	31,427
A G F Keogan	11,274	11,102

* Or date of appointment if later

In addition to the interests disclosed above, the following directors had options over the ordinary shares of Lloyds TSB Group plc as set out against their names:-

FIRST DEBENTURE FINANCE PLC

REPORT OF THE DIRECTORS for the year ended 30th September 1999

	<u>Options over Ordinary Shares 30 September 1999</u>	<u>During the period</u>		<u>Options over Ordinary shares * 1 October 1998</u>
		<u>Granted</u>	<u>Exercised</u>	
D J Joyce	7,960	4,000	-	3,960
D J Parfitt	23,473	-	(8,500)	31,973
A G F Keogan	11,941	-	-	11,941

* Or date of appointment if later

The options were granted on various dates to subscribe for 25p ordinary shares of Lloyds TSB Group plc at prices ranging from 165p to 887p per share. The options were granted pursuant to the Lloyds TSB Group plc executive share option and sharesave schemes.

SUBSTANTIAL INTERESTS

The Company has been advised of the following holdings representing 3% or more of the issued share capital as at 5 January 2000:-

Lloyds TSB Bank plc	120 A' shares
Dresdner RCM Smaller Companies Investment Trust plc	6 B' shares
The Brunner Investment Trust PLC	29 B' shares
The Merchants Trust PLC	49 B' shares
Charter European Trust plc	36 B' shares

CORPORATE GOVERNANCE

The Company has listed Debenture Stock which is a specialist debt security as determined by the London Stock Exchange at the time the debt was listed. The Board does not therefore have to give a statement of compliance with the Combined Code of Best Practice published by the Committee on the Financial Aspects of Corporate Governance.

YEAR 2000

Dresdner RCM Global Investors (UK) Ltd (Dresdner RCM), as managers to the Company, gave priority to the issues surrounding the Year 2000 and met all of its objectives to ensure business continued through the Year 2000 date change. Costs relating to the Year 2000 programme are to be borne by Dresdner RCM.

AUDITORS

The auditors Deloitte & Touche have expressed their willingness to continue in office and in accordance with the provisions of Section 385 Companies Act 1985 a resolution for their reappointment will be proposed at the forthcoming annual general meeting.

Approved by the Board of Directors and signed on its behalf



A Morrison
Joint Company Secretary

5 January 2000

FIRST DEBENTURE FINANCE PLC

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 the Company as at the end of the financial year and of the profit or loss of the Company for that year. 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;
- ➡ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ➡ prepare the financial statements on a 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.

FIRST DEBENTURE FINANCE PLC

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 14 which have been properly prepared under the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 3 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

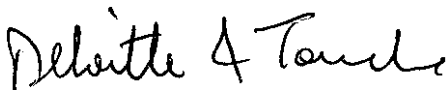
Basis of opinion

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 30 September 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and
Registered Auditors

Stonecutter Court
1 Stonecutter Street
London, EC4A 4TR

5 January 2000

FIRST DEBENTURE FINANCE PLC

PROFIT AND LOSS ACCOUNT
for the year ended 30th September 1999

	Note	1999 £	1998 £
Interest and discount receivable	2	9,153,299	9,010,706
Administrative expenses		(174,919)	(74,259)
Finance costs of borrowings	3	(8,922,769)	(8,920,389)
		(9,097,688)	(8,994,648)
Operating profit on ordinary activities before taxation	4	55,611	16,058
Tax (charge) credit on profit on ordinary activities	6	(24,580)	223,729
Profit for the year	13	31,031	239,787

All the profits and losses of the Company have been derived from continuing activities

FIRST DEBENTURE FINANCE PLC

BALANCE SHEET
as at 30th September 1999

		1999 £	1999 £	1998 £
Fixed Assets				
Investments	7		72,958,411	71,311,173
Current Assets				
Debtors - due within one year	8	6,903,958		8,475,708
Debtors - due after one year	8	7,055,000		7,055,000
Cash		196,586		223,303
		<u>14,155,544</u>		<u>15,754,011</u>
Creditors				
Amounts falling due in less than one year	9	<u>(2,400,289)</u>		<u>(2,405,318)</u>
Net current assets			11,755,255	13,348,693
Total Assets less Current Liabilities			<u>84,713,666</u>	<u>84,659,866</u>
Creditors - Amounts falling due after more than one year	10		(78,551,740)	(78,528,971)
Provisions for liabilities and charges	11		(7,055,000)	(7,055,000)
Total Net Liabilities			<u>(893,074)</u>	<u>(924,105)</u>
Capital and Reserves				
Called up share capital	12		50,000	50,000
Profit and loss account	13		(7,998,074)	(8,029,105)
Other reserve	14		7,055,000	7,055,000
Shareholders' Funds	15		<u>(893,074)</u>	<u>(924,105)</u>
Analysis of shareholders' funds				
Equity interests			(942,834)	(973,865)
Non-equity interests	16		49,760	49,760
			<u>(893,074)</u>	<u>(924,105)</u>

Approved by the Board of Directors on 5th January 2000 and signed on its behalf by:-



S D Fowler
Director

The Notes on pages 9 to 14 form part of these accounts

FIRST DEBENTURE FINANCE PLC

STATEMENT OF RECOGNISED GAINS AND LOSSES
for the year ended 30th September 1999

	1999 £	1998 £
Profit for the year	31,031	239,787
Decrease in other reserves	-	(236,000)
Total recognised gains and losses in year	<u>31,031</u>	<u>3,787</u>

FIRST DEBENTURE FINANCE PLC

CASHFLOW STATEMENT

for the year ended 30th September 1999

	1999 £	1999 £	1998 £
Net cash inflow from operating activities (Note (a))		7,303,303	7,726,485
Returns on investments and servicing of finance			
Interest paid		(8,900,000)	(8,900,000)
Taxation			
Group relief advance	-		3,000,000
Income tax paid	(355,339)		(156,268)
Taxation (paid)/received		(355,339)	2,843,732
Capital expenditure and financial investment			
Receipts on maturity of fixed asset investments	-		279,851
Repayment/(drawdown) of interest free loans	1,925,319		(2,063,188)
Net cash inflow (outflow) from capital expenditure and investment activities		1,925,319	(1,783,337)
Net cash outflow before and after financing		(26,717)	(113,120)
Decrease in cash		(26,717)	(113,120)

Notes to the cashflow statement

a) Reconciliation of operating profit before taxation and interest to net cash inflow from operating activities		1999	1998	
Operating profit before taxation and finance costs		8,978,380	8,936,447	
Net UK income tax deducted		355,339	287,278	
		<u>9,333,719</u>	<u>9,223,725</u>	
Increase in value of fixed asset investments		(1,647,238)	(1,805,556)	
(Increase) decrease in debtors		(378,149)	286,367	
(Decrease) increase in creditors		(5,029)	21,949	
		<u>7,303,303</u>	<u>7,726,485</u>	
b) Reconciliation of Net Cash Flow to movement in net debt				
Decrease in cash during year		(26,717)	(113,120)	
Other non cash movements		(22,769)	(20,389)	
		<u>(49,486)</u>	<u>(133,509)</u>	
Change in net debt				
Net debt at 1 October 1998		(78,305,668)	(78,172,159)	
		<u>(78,355,154)</u>	<u>(78,305,668)</u>	
Net debt at 30 September 1999				
c) Analysis of changes in Net Debt				
	At 1.10.98	Cashflows	Other changes	At 30.09.99
Cash in hand and at bank	223,303	(26,717)	-	196,586
Debt due after one year	(78,528,971)	-	(22,769)	(78,551,740)
	<u>(78,305,668)</u>	<u>(26,717)</u>	<u>(22,769)</u>	<u>(78,355,154)</u>

FIRST DEBENTURE FINANCE PLC

NOTES TO THE ACCOUNTS for the year ended 30th September 1999

Accounting Policies

The financial statements have been prepared in accordance with the applicable accounting standards

a) **Convention**

These accounts have been prepared in accordance with the historical cost convention.

b) **Fixed asset investments**

Bonds

The bonds are issued by the four investment trusts and are listed. They are classified as fixed asset investments and interest and discount receivable on them is accounted for on an accruals basis.

Loan notes

The loan notes are unlisted and are included in fixed asset investments. Interest and discount receivable on them is accounted for on an accruals basis.

Interest and discount are accrued on the bonds and loan notes at constant rates, being in each case that implicit in the terms on which the investment was acquired, and are shown net of interest adjustments calculated under the terms of the loan agreements. The bonds and loan notes are carried in the balance sheet at cost plus accrued discount and interest (after separating out accrued interest in respect of the current interest period, shown separately under debtors due within one year), less any provision necessary to reflect any permanent diminution in value.

c) **Debenture Stock**

In accordance with Financial Reporting Standard 4, the Debenture Stock is stated at the amount of net proceeds immediately after issue plus the appropriate accrued finance costs at the balance sheet date. The finance costs of such borrowings (being the difference between the net proceeds of a borrowing and the total payments that may be required in respect of that borrowing) are allocated to the profit and loss account over the term of the Debenture Stock at a constant rate on the carrying amount.

d) **Deferred taxation**

Provision is not made for taxation liabilities arising from the allocation of items to different periods for taxation and for accounting purposes with the exception of the charge arising under the Finance Act 1995 (See note 11) since in the opinion of the directors it is unlikely that any such liabilities will ultimately be borne by the Company.

FIRST DEBENTURE FINANCE PLC

NOTES TO THE ACCOUNTS for the year ended 30th September 1999

	1999 £	1998 £
2 Interest and Discount Receivable		
Interest received on notes and bonds	7,123,304	7,477,450
Movement in interest accrued in respect of current interest period	378,150	(286,367)
	<u>7,501,454</u>	<u>7,191,083</u>
Movement in other interest and discount accrued	1,647,238	1,805,556
Total accruing interest and discount on notes and bonds	<u>9,148,692</u>	<u>8,996,639</u>
Bank deposit interest receivable	4,607	14,067
	<u>9,153,299</u>	<u>9,010,706</u>

	1999 £	1998 £
3 Finance costs of Borrowings		
Interest payable on debenture stock (repayable after five years)	8,900,000	8,900,000
Amortisation of finance costs	22,769	20,389
	<u>8,922,769</u>	<u>8,920,389</u>

4 Operating profit on Ordinary Activities before Taxation

	1999 £	1998 £
The operating profit on ordinary activities before taxation is arrived at after charging:		
Auditors remuneration	<u>51,461</u>	<u>5,200</u>

There were no amounts paid in respect of non-audit services (1998 - £nil)

	1999 £	1998 £
5 Staff costs and Directors emoluments		
Emoluments of the directors were as follows:		
Fees	<u>-</u>	<u>-</u>

There are no employees of the Company.

	1999 £	1998 £
6 Taxation on Profit on Ordinary Activities		
Corporation tax payable at 30.5% (1998 - 31%) and group relief recoverable	<u>24,580</u>	<u>(223,729)</u>

Group relief principally relates to tax losses or profits arising as a result of the differing treatment for taxation and accounting purposes of interest receivable and payable. The potential liability for deferred tax on short term timing differences, which has not been provided for under the stated accounting policy, amounted to £Nil (1998 - £Nil).

The Inland Revenue has queried the validity of the company's claim for corporation tax relief under Section 90 Finance Act 1996, amounting to approximately £27.9m, in respect of its change of accounting policy in the period ended 30 September 1997, relating to certain bonds and notes issued by four investment trusts under management of Dresdner RCM Global Investors (UK) Limited.

If the above claim was not made, or was not allowed, the directors estimated that an additional taxation charge of approximately £7.8m would arise.

On the basis of the advice they have received, the directors consider that the above claim for relief is valid and the amount claimed is properly deductible in the accounting period ended 30 September 1997.

FIRST DEBENTURE FINANCE PLC

NOTES TO THE ACCOUNTS
for the year ended 30th September 1999

7 Fixed Asset Investments

£

Value at 30 September 1998	71,311,173
Movement in discount and interest (net of adjustments) accrued	1,647,238
Value at 30 September 1999	<u>72,958,411</u>

The fixed asset investments comprise unlisted stepped rate loan notes issued by four investment trusts with a net book cost of £12,260,172 (1998 - £12,260,172) and bonds listed on an overseas exchange with a net book cost of £49,040,686 (1998 - £49,040,686).

It is the intention to hold these investments to maturity.

8 Debtors

1999

£

1998

£

Amounts due within one year -

Amount owed by parent company	4,769,902	4,794,482
Accrued income	1,996,187	1,618,038
Interest free loans (See (a) below)	137,869	2,063,188

6,903,958

8,475,708

Amounts due after one year -

Amounts owed by four listed investment trusts (b)	<u>7,055,000</u>	<u>7,055,000</u>
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a) Interest free loans have been given to the four listed investment trusts, which are holders of the 'B' shares.

b) Under the terms of the agreement dated 10 July 1995 between the Company and four listed investment trusts (the holders of 'B' shares), the latter will subscribe to further share capital in order that the Company is able to meet inter alia the tax liability due on redemption or earlier transfer of its holdings in the bonds and notes issued by the investment trusts - see Notes 12 and 14.

9 Creditors - amounts falling due within one year

1999

£

1998

£

Other creditors	2,222,619	2,227,648
Income tax payable	177,670	177,670
	<u>2,400,289</u>	<u>2,405,318</u>

10 Creditors - amounts falling due after one year

1999

£

1998

£

11.125% Debenture Stock 2018 (at par)	80,000,000	80,000,000
New issue expenses	(820,873)	(820,873)
Discount on issue	(754,400)	(754,400)
Amount on issue	<u>78,424,727</u>	<u>78,424,727</u>
Amortisation of discount and issue costs	127,013	104,244
	<u>78,551,740</u>	<u>78,528,971</u>

FIRST DEBENTURE FINANCE PLC

NOTES TO THE ACCOUNTS for the year ended 30th September 1999

The debenture stock is due to be repaid at par on 2 January 2018. The stock is secured by a fixed charge over the investments and book debts of the Company and a floating charge over the whole of the remainder of its undertaking, property and assets. The debenture stock is severally guaranteed by four listed investment trusts in proportion to the relative original principal amounts of bonds and notes issued by those investment trusts and purchased by the Company from the proceeds of the stock.

	1999 £	1998 £
11 Provisions for Liabilities and Charges		
Deferred taxation	7,055,000	7,055,000

Under the provisions of the Finance Act 1995 in relation to the Company's holding of notes and bonds issued by the four listed investment trusts, taxable income equal to the excess of market value at 28 November 1994 over original cost will be deemed to arise on redemption in 2018 or transfer if earlier.

The above provision for deferred tax on this income has been calculated on the current market value of the notes and bonds on 28 November 1994 using the current rate of corporation tax of 30% (1998 - 30%).

The liability will be funded by the four listed investment trusts through a share subscription - see Note 8.

	1999 £	1998 £
12 Called Up Share Capital		
Authorised		
120 'A' shares of £1 each	120	120
120 'B' shares of £1 each	120	120
49,760 'C' shares of £1 each	49,760	49,760
5,000,000 'D' shares of 1p each	50,000	50,000
	<u>100,000</u>	<u>100,000</u>

Allotted and fully paid

120 'A' shares of £1 each	120	120
120 'B' shares of £1 each	120	120
49,760 'C' shares of £1 each	49,760	49,760
	<u>50,000</u>	<u>50,000</u>

The 'A' shares of £1 each confer on the holders the right to receive:

a) the balance of the profits available for distribution and resolved to be distributed in any one financial period, to a maximum of £3,000 p.a., after the payment of the dividend to the holders of 'C' shares;

b) three quarters of the profits available for distribution and resolved to be distributed in any one year after meeting the preferential dividend payable in respect of the 'C' shares and the preferential dividend referred to in (a) above, *pari passu* with the holders of the 'B' shares; and

c) on winding up, three quarters of the surplus remaining after payment to the holders of the 'C' shares of their entitlements, *pari passu* with the holders of the 'B' shares.

The 'A' shares carry the right to one vote per share.

FIRST DEBENTURE FINANCE PLC

NOTES TO THE ACCOUNTS for the year ended 30th September 1999

The 'B' shares of £1 each confer on the holders the right to receive:

- a) one quarter of the profits available for distribution and resolved to be distributed in any one year after meeting the preferential dividend payable in respect of the 'C' shares and the preferential dividend in respect of the 'A' shares referred to above, pari passu with the ordinary dividend payable to holders of the 'A' shares;
- b) on winding up, one quarter of the surplus remaining after payment to the holders of the 'C' shares of their entitlements, pari passu with the holders of the 'A' shares.

The 'B' shares carry the right to one vote per share.

The 'C' shares of £1 each confer on the holders the right to receive:

- a) one quarter of the profits available for distribution and resolved to be distributed in any one financial period, subject to a maximum of £1,000 pa but with no further right to share in the profits of the Company; and
- b) on winding up £49,760 ranking in priority to all other shares in the capital of the Company.

The 'C' shares do not carry the right to receive notice of, or attend, or vote at any general meeting of the Company.

The 'D' shares of 1p each confer on the holders the right to receive:

- a) a non-cumulative preferential dividend at the rate of 5% per annum (net of any related tax credit) on the nominal value thereof after meeting the preferential dividend payable in respect of the 'C' shares and the 'A' shares but with no further or other right to any dividend; and
- b) on winding up a sum equal to the amount subscribed for such 'D' shares after payment to the holders of the 'C' shares.

The 'D' shares do not carry the right to receive notice of, or attend, or vote at any general meeting of the Company.

13 Profit and Loss Account	1999
	£
Balance at 1 October 1998	(8,029,105)
Profit for the financial year	31,031
Balance at 30 September 1999	<u>(7,998,074)</u>

14 Other Reserve	£
Balance at 1 October 1998 and 30 September 1999	<u>7,055,000</u>

The above reserve arises from the contractual commitment of the holders of the 'B' shares to subscribe for further share capital - see Note 8. The reserve represents the gross expected value of the commitment (per Note 11).

15 Reconciliation of Movement in Shareholders' Funds	1999	1998
	£	£
Profit attributable to members of the Company	31,031	239,787
Decrease in other reserves	-	(236,000)
	<u>31,031</u>	<u>3,787</u>
Opening Shareholders' Funds	(924,105)	(927,892)
Closing Shareholders' Funds	<u>(893,074)</u>	<u>(924,105)</u>

FIRST DEBENTURE FINANCE PLC

NOTES TO THE ACCOUNTS

for the year ended 30th September 1999

16 Analysis of Shareholders' Funds

The 'C' shares have been classified as non-equity interests in shareholders' funds under the provisions of Financial Reporting Standard 4 on Capital Instruments as the rights to receive payments are limited to specific amounts and, in the event of a return of capital, are limited to a specific amount, being £49,760.

17 Ultimate Parent Company

The ultimate parent company and ultimate controlling party is Lloyds TSB Group plc, a company incorporated in Great Britain and registered in Scotland. For consolidation purposes, Lloyds TSB Bank plc, a company incorporated in Great Britain and registered in England and Wales, is the parent undertaking of the smallest group of which the company is a member. Copies of the consolidated financial statements of both of these companies are available at 71 Lombard Street, London, EC3P 3BS.

18 Related Party Transactions

The unlisted stepped rate loan notes and listed stepped rate bonds included in fixed asset investments are issued by four investment trusts which also hold a substantial interest in the Company as disclosed in the Directors' Report.

19 Financial Reporting Standard 13 - Derivatives and Other Financial Instruments: Disclosures

The use to which the company puts its financial instruments is set out in the Report of the Directors on page 1.

a) Interest Rate Risk Profile

The Company has no net interest rate risk since movements in market rates will have an opposing effect on the valuation of the debenture stock to the valuation of the notes and bonds.

The debenture stock carries a coupon rate of 11.125% and is repayable in January 2018.

The bonds and notes issued by the investment trusts are redeemable in January 2018 and carry a weighted average interest rate on their principal value of 14.5%.

b) Currency Risk Profile

All assets and liabilities of the Company are denominated in sterling, thus there is no currency risk.

c) Fair Value Disclosure

With the exception of the debenture stock, the bonds and loan notes issued by the investment trusts, the debtor due in more than one year and the deferred tax provision, all the other assets and liabilities of the Company are held at fair value.

	Fair Value £ million	Book Value £ million
Debenture Stock	(121.1)	(78.6)
Bonds and loan Notes	106.9 - 111.9	72.9

The fair value of the Debenture Stock has been calculated using the clean closing price at 30 September 1999 of 151.355p.

The range of fair values of the bonds has been calculated at lower and upper margins of 200-250 basis points above the gross redemption yield of Treasury 8.75% 2017 at the year end, being 5.38%.

The fair value of the loan notes has been calculated in each case 100 basis points higher than the bonds.

It is not practicable to estimate the fair value of the debtor due after one year or the deferred tax provision with any sufficient reliability. Descriptions of these assets and liabilities are given in Notes 8 and 11 respectively as is information on their principal characteristics.

d) Liquidity profile

See note (a) above for the redemption date of the notes and bonds and repayment date of the debenture stock.

e) Hedging Instruments

The Company had no hedging arrangements in place at the year end.