

2723420

**LAWSHARE LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**

**For the year ended**

**31 October 2004**



# **LAWSHARE LIMITED**

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## **LAWSHARE LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISORS**

#### **OFFICERS**

H C Iversen  
J G Dumeresque  
K H O'Sullivan  
J N Stapleton  
R R Trew

#### **SECRETARY**

J G Dumeresque

#### **REGISTERED OFFICE**

1 Meadow Road  
Tunbridge Wells  
Kent  
TN1 2YG

#### **BANKERS**

HSBC Plc  
Bristol & West Plc  
Brown Brothers Harriman

#### **SOLICITORS**

Shadbolt & Co  
Chatham Court  
Lesbourne Road  
Reigate  
Surrey  
RH2 7LD

#### **AUDITORS**

Nexia Audit Limited  
Chartered Accountants  
No 1 Riding House Street  
London  
W1A 3AS

#### **TAX & BUSINESS ADVISORS**

Smith & Williamson Limited  
Chartered Accountants  
No 1 Riding House Street  
London  
W1A 3AS

#### **COMPANY'S REGISTERED NUMBER**

2723420

## **LAWSHARE LIMITED**

### **DIRECTORS' REPORT**

The directors take pleasure in submitting their annual report and the audited financial statements of the company for the year ended 31 October 2004.

### **PRINCIPAL ACTIVITY**

The principal activity of the company is to act as a wholesale provider of securities research, dealing settlement and custody services to professional intermediaries.

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The current year saw a further widening of the firm's client base and a continuing growth of business from existing clients partly through the continued rollout of the unit trust, dealing settlement and custody service. It is anticipated that Lawshare's client base and services to clients will continue to expand.

### **DIVIDENDS AND TRANSFERS FROM RESERVES**

Dividends of £nil were paid during the year (2003: £77,113). Retained profits of £214 were transferred to reserves (2003: £132,582 transferred from reserves). During the year the company paid a dividend in specie of 1,000,000 ordinary shares in the London Stock Exchange.

### **DIRECTORS**

The directors who served during the year were as follows:

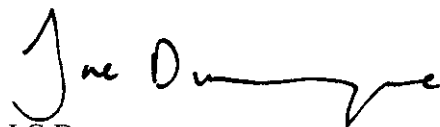
H C Iversen	(Chairman – appointed 30 June 2004)	D A B Lough	(resigned 31 March 2004)
J G Dumeresque	(appointed 1 October 2004)	K H O'Sullivan	
W A Finlayson	(resigned 31 March 2004)	J N Stapleton	
B A Greayer	(retired 31 March 2004)	R R Trew	
N A Hale	(resigned 30 September 2004)		

D S Black resigned as Company Secretary on 8 October 2004 and J G Dumeresque was appointed in his place.

At the year end none of the directors had an interest in the shares of the company. Their interests in the shares of the holding company, Lawshare Holdings Limited, are disclosed in the financial statements of that company.

### **AUDITORS**

At the last AGM Deloitte & Touch LLP were not reappointed as auditors of the company and Nexia Audit Limited have been appointed in their place. Nexia Audit Limited have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be presented at the forthcoming Annual General Meeting.



J G Dumeresque  
Secretary

## **LAWSHARE LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each financial period, 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;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# Nexia Audit

— • Limited • —

## Independent auditors' report to the shareholders of Lawshare Limited

We have audited the financial statements of Lawshare Limited for the year ended 31 October 2004 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 24. These financial statements have been prepared under the historical cost convention and 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 auditors' 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the 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 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 October 2004 and of its profit for the year and have been properly prepared in accordance with the Companies Act 1985.

*Nexia Audit Limited*

**Nexia Audit Limited**  
Chartered Accountants  
Registered Auditors

*21 January 2005*

1 Riding House Street  
London  
W1A 3AS

**LAWSHARE LIMITED****PROFIT AND LOSS ACCOUNT for the year ended 31 October 2004**

	Notes	2004 £	2003 £
<b>TURNOVER</b>	1,2	2,491,305	2,450,685
Administrative expenses		(2,497,395)	(2,548,428)
<b>OPERATING LOSS</b>	7	(6,090)	(97,743)
Interest receivable and similar income	3	29,169	14,957
Interest payable	4	(22,151)	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		928	(82,786)
Tax on profit/(loss) on ordinary activities	8	(714)	27,317
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		214	(55,469)
Dividends paid	9	-	(77,113)
<b>RETAINED PROFIT/(LOSS) FOR THE PERIOD TRANSFERRED TO/(FROM) RESERVES</b>	10	214	(132,582)

All activities derive from continuing operations

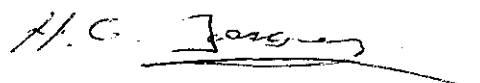
There were no recognised gains or losses for the current or preceding financial year other than as disclosed in the profit and loss account. Accordingly no statement of total recognised gains and losses is given.

**LAWSHARE LIMITED**

**BALANCE SHEET as at 31 October 2004**

	Notes	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	11	180,034	263,429
Investments	12	2	121,503
		<hr/>	<hr/>
		180,036	384,932
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Debtors	13	7,520,951	8,622,083
Cash at bank and in hand	14	1,265,652	299,236
		<hr/>	<hr/>
		8,786,603	8,921,319
		<hr/>	<hr/>
<b>CREDITORS: amounts falling due within one year</b>	15	(7,958,327)	(8,623,153)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		828,276	298,166
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,008,312	683,098
		<hr/>	<hr/>
<b>CREDITORS: amounts falling due in more than one year</b>	16	(325,000)	-
		<hr/>	<hr/>
<b>NET ASSETS</b>		683,312	683,098
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	174,558	174,558
Share premium account	10	294,761	294,761
Capital redemption reserve	10	10,100	10,100
Profit and loss account	10	203,893	203,679
		<hr/>	<hr/>
<b>SHAREHOLDERS' FUNDS</b>		683,312	683,098
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on ...19-01-05 and were signed on its behalf by:



H C Iversen  
Director



**LAWSHARE LIMITED****CASH FLOW STATEMENT for the year ended 31 October 2004**

	<b>Note</b>	<b>2004 £</b>	<b>2003 £</b>
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	18	659,930	(368,458)
<hr/>			
<b>RETURNS ON INVESTMENT</b>			
Interest received		29,169	14,957
<hr/>			
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENT</b>		29,169	14,957
<hr/>			
<b>TAXATION</b>			
UK corporation tax received/(paid)		17,643	(55,097)
<hr/>			
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Payments to acquire tangible fixed assets		(65,326)	(147,811)
Disposal of shares held by Lawshare Employees' Trust		-	17,657
<hr/>			
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		(65,326)	(130,154)
<hr/>			
<b>EQUITY DIVIDENDS PAID</b>		-	(77,113)
<hr/>			
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		641,416	(615,865)
<b>FINANCING</b>			
Subordinated loan		325,000	-
<hr/>			
<b>NET CASH INFLOW FROM FINANCING</b>		325,000	-
<hr/>			
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>	19	966,416	(615,865)
<hr/>			

**LAWSHARE LIMITED****RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS****For the year ended 31 October 2004**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the financial year	214	(55,469)
Dividends	-	(77,113)
	<hr/>	<hr/>
<b>Net addition/(reduction) to shareholders' funds</b>	214	(132,582)
Opening shareholders' funds	683,098	815,680
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	683,312	683,098
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2004**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted by the directors are described below.

**Accounting**

These financial statements are prepared under the historical cost convention.

**Turnover**

Turnover represents:

- commission income from buying and selling securities on behalf of clients
- custody fees
- unit trust fees
- overseas contract charges

**Trade date accounting**

Turnover is arrived at under the principles of trade date accounting for Stock Exchange transactions.

**Fixed assets**

For all tangible fixed assets depreciation is calculated to write down their cost to the estimated residual values by equal annual instalments over the period of their estimated useful economic lives, which are considered to be:

Fixtures and equipment	-	four years
Computer software	-	four years
Computer equipment	-	three years

**Balances with clients and counterparties**

In accordance with market practice certain balances with clients and market counterparties, Stock Exchange member firms and settlement offices are included in debtors and creditors gross for their unsettled bought and sold transactions respectively.

**Operating leases**

Amounts due under operating leases are charged to the profit and loss account in equal annual amounts over the lease term.

**Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

**Deferred taxation**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they be recovered. Deferred tax assets and liabilities are not discounted.

**LAWSHARE LIMITED****NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2004****1. ACCOUNTING POLICIES (continued)****Pension costs**

Contributions to defined contribution schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**2. TURNOVER**

	2004 £	2003 £
Commissions arising in the UK	1,425,225	1,370,150
Custody fees, unit trust fees and overseas contract charges	1,066,080	1,080,535
	<hr/>	<hr/>
	2,491,305	2,450,685
	<hr/>	<hr/>

**3. INTEREST RECEIVABLE AND SIMILAR INCOME**

	£	£
Bank deposit income	28,591	14,957
Interest on corporation tax	578	-
	<hr/>	<hr/>
	29,169	14,957
	<hr/>	<hr/>

**4. INTEREST PAYABLE**

	£	£
Interest payable to parent company	22,151	-
	<hr/>	<hr/>



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2004

## 5. STAFF NUMERS AND COSTS

	2004 No.	2003 No.
<b>The average number of persons employed by the company during the financial year was:</b>		
Dealing	4	5
Administration	26	30
	<hr/>	<hr/>
	30	35
	<hr/>	<hr/>

Staff costs incurred during the year in respect of these employees were:

	2004 £	2003 £
Wages and salaries	1,024,493	1,215,926
Social security costs	110,609	131,574
Other pension costs	44,554	44,572
	<hr/>	<hr/>
	1,179,656	1,392,072
	<hr/>	<hr/>

## 6. DIRECTORS' EMOLUMENTS

	£	£
Emoluments	333,543	356,696
Contributions to pension scheme	26,625	25,908
	<hr/>	<hr/>
	360,168	382,604
	<hr/>	<hr/>
Remuneration of highest paid director:		
Emoluments	72,145	111,486
Contributions to pension scheme	5,325	7,163
	<hr/>	<hr/>
	77,470	118,649
	<hr/>	<hr/>

Retirement benefits are accruing for 3 (2003: 3) directors under the company's defined contribution pension scheme.

**LAWSHARE LIMITED****NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2004****7. OPERATING LOSS**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Operating loss is stated after charging:		
Depreciation	148,721	156,220
Auditors' remuneration - audit	15,000	18,802
- other	4,500	8,250
Rentals under operating leases	42,596	42,596

**8. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Corporation tax payable based on the profit/(loss) for the year at 19% (2003: 20%)	12,696	(16,267)
Adjustments to prior years	(1,376)	-
Total current tax charge	11,320	(16,267)
Deferred tax charge for the year	(10,606)	(7,568)
Adjustment to deferred tax in respect of prior year	-	(3,482)
Tax on profit on ordinary activities	714	(27,317)

**LAWSHARE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2004**

**8. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (continued)**

<b>Tax reconciliation</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Profit/(loss) on ordinary activities before tax	928	(82,786)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2003: 20%)	176	(16,557)
<i>Tax effects of:</i>		
Expenses not deductible for tax purposes	1,884	2,607
Marginal relief	-	(1,285)
Depreciation in excess of capital allowances	10,636	7,568
UK dividend income	-	(8,600)
Adjustment in respect of prior years	(1,376)	-
Total current tax charge	11,320	(16,267)

**9. DIVIDENDS PAID**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Per 'A' ordinary share		
Interim paid nil (2003 - 30.66p)	-	29,433
Per 'A' non-voting ordinary share		
Interim paid nil (2003 - 30.66p)	-	11,967
Per Founders share		
Interim paid nil (2003 - £178.565)	-	35,713
	-	77,113

On 3 November 2003, the company paid a dividend in specie of 900,000 London Stock Exchange shares. A further dividend in specie was made on 20 November 2003 made up of an additional 100,000 London Stock Exchange shares.



**LAWSHARE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2004**

**10. STATEMENT OF MOVEMENTS ON RESERVES**

	Share premium account £	Capital redemption reserve £	Profit and loss account £
Balance at 1 November 2003	294,761	10,100	203,679
Retained profit for the year	-	-	214
	<hr/>	<hr/>	<hr/>
Balance at 31 October 2004	294,761	10,100	203,893
	<hr/>	<hr/>	<hr/>

**11. TANGIBLE FIXED ASSETS**

	Computer equipment £	Fixtures and equipment £	Total £
<b>Cost</b>			
At 1 November 2003	1,046,276	144,467	1,190,743
Additions	62,699	2,627	65,326
	<hr/>	<hr/>	<hr/>
At 31 October 2004	1,108,975	147,094	1,256,069
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 November 2003	795,992	131,322	927,314
Charge for the year	137,852	10,869	148,721
	<hr/>	<hr/>	<hr/>
At 31 October 2004	933,844	142,191	1,076,035
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 October 2004	175,131	4,903	180,034
	<hr/>	<hr/>	<hr/>
At 31 October 2003	250,284	13,145	263,429
	<hr/>	<hr/>	<hr/>

**LAWSHARE LIMITED****NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2004****12. INVESTMENTS HELD AS FIXED ASSETS**

	2004 £	2003 £
Investment in subsidiary undertakings	2	2
Investment in Lawshare Holdings Limited shares	-	121,501
	<hr/> 2	<hr/> 121,503
	<hr/>	<hr/>

The above investment in subsidiary undertaking represents £1 in Lawshare Nominees Limited and £1 in Lawshare Employees Trustees Limited, both unlisted companies registered in Great Britain. Consolidated financial statements have not been produced on the grounds of immateriality. Lawshare Nominees Limited has not traded and has net assets equal to the cost of investment.

The investment in Lawshare Holdings Limited represented a loan to an employee benefit trust. This loan was assigned in the year to Lawshare Holdings Limited and the balance transferred to debtors.

**13. DEBTORS**

	2004 £	2003 £
Trade debtors	7,007,750	8,233,583
Amounts owed by parent company	124,589	-
Corporation tax recoverable	-	16,267
Deferred tax asset	11,210	604
Other debtors	136,820	164,664
Accrued income	71,275	44,085
Prepayments	169,307	162,880
	<hr/> 7,520,951	<hr/> 8,622,083
	<hr/>	<hr/>

**14. CASH AT BANK AND IN HAND**

Cash at bank includes £727,773 (2003: £60,969) received in the course of settlement of bargains. This amount is held by the company in trust, on behalf of clients and is only available to complete the settlement of outstanding bargains.

**LAWSHARE LIMITED****NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2004****15. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade creditors	6,889,507	8,139,720
Amounts due to client in respect of cash balances	727,773	60,969
Amounts due to subsidiary undertaking	2	2
Taxation and social security	45,303	51,935
Corporation tax	12,696	-
Accruals	283,046	370,527
	<hr/>	<hr/>
	7,958,327	8,623,153
	<hr/>	<hr/>

**16. CREDITORS – AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Subordinated loan	325,000	-
	<hr/>	<hr/>

The subordinated loan was made by Lawshare Holdings Limited on 20 November 2003. The loan is not repayable before 20 November 2005. Interest is payable quarterly in arrears on the balance outstanding at a rate of 3% over the London Inter Bank Offer Rate (LIBOR).

**LAWSHARE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2004**

**17. CALLED UP SHARE CAPITAL**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
332,600 'A' ordinary shares of £1 each	332,600	332,600
142,500 'A' non voting ordinary shares of £1 each	142,500	142,500
	<hr/>	<hr/>
	475,100	475,100
	<hr/>	<hr/>
	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Allotted and fully paid</b>		
126,000 'A' ordinary shares of £1 each	126,000	126,000
48,558 'A' non voting ordinary shares of £1 each	48,558	48,558
	<hr/>	<hr/>
	174,558	174,558
	<hr/>	<hr/>

The 'A' ordinary shares and the 'A' Non Voting shares rank pari passu in all respects except that the 'A' Non Voting shares cannot attend or vote at general meetings of the company. No class of share entitles the holder to preference dividends.

**18. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Operating loss	(6,090)	(97,743)
Depreciation charges	148,721	156,220
Decrease/(increase) in debtors	1,216,972	(931,230)
(Decrease)/increase in creditors	(699,673)	504,295
	<hr/>	<hr/>
<b>Net cash inflow/(outflow) from operating activities</b>	659,930	(368,458)
	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2004

## 19. RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN FUNDS

	2004 £	2003 £
Increase/(decrease) in cash in the year	299,612	(27,685)
Increase/(decrease) in client cash balances in the year	666,804	(588,180)
Cash (inflow) from increase in debt	(325,000)	-
Change in net funds resulting from cash flows	641,416	(615,865)
Net funds at 1 November	299,236	915,101
Net funds at 31 October	940,652	299,236

## 20. ANALYSIS OF NET FUNDS

	At 1 November 2003 £	Cash flow £	At 31 October 2004 £
Cash in hand and at bank	238,267	299,612	537,879
Client balances	60,969	666,804	727,773
Debt greater than one year	299,236	966,416	1,265,652
	-	(325,000)	(325,000)
	299,236	641,416	940,652

## 21. CONTINGENT LIABILITIES

The company has contingent liabilities, which cannot be quantified, in respect of letters of indemnity (principally in respect of lost share certificates) given in the ordinary course of business.

## 22. OPERATING LEASE COMMITMENTS

At 31 October 2004 the company was committed to making the following payments during the next year in respect of operating leases which expire:

	Land and buildings 2004 £	Other 2004 £
Within two to five years	40,000	3,000

# LAWSHARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2004

### 23. RELATED PARTY TRANSACTIONS

During the year, the company transacted business on an arm's length basis with the following companies of which certain shareholders of the holding company have an influence. The amounts involved are as follows:

2004	Turnover £	Debtors £	Creditors £
Cripps Portfolio Limited	205,952	511,812	206,133
Murray Beith Murray WS	106,752	206,222	265,908
Thesis Asset Management plc	194,095	251,586	172,829
<b>Total</b>	<b>506,799</b>	<b>969,620</b>	<b>644,870</b>
2003	Turnover £	Debtors £	Creditors £
Cripps Portfolio Limited	259,745	-	-
Murray Beith Murray WS	108,385	325,447	280,412
Thesis Asset Management plc	227,424	229,531	618,473
<b>Total</b>	<b>595,554</b>	<b>554,978</b>	<b>898,885</b>

The relationship is as follows; David Lough is a shareholder of Lawshare Holdings and a shareholder and Managing Director of Cripps Portfolio Limited. Thomas Eggar Church Adams is a shareholder of Lawshare Holdings and a shareholder of Thesis Asset Management plc and Murray Beith Murray is a shareholder of Lawshare Holdings.

### 24. ULTIMATE HOLDING COMPANY

Lawshare Limited is a wholly owned subsidiary of Lawshare Holdings Limited, a company incorporated in Great Britain. Lawshare Holdings Limited is the parent of the largest and smallest group for which group financial statements are drawn up and of which Lawshare Limited is a member.