

Company No: 4542626

Law 2383 Limited

Annual Report

Year ended 31 December 2003



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LAW 2383 LIMITED

COMPANY INFORMATION

Directors	N P B Sims W B Speirs
Secretary	N P B Sims
Registered office	C/O Premier Percussion Limited Blaby Road Wigston Leicester LE18 4DF
Registered number	4542626
Auditors	RSM Robson Rhodes LLP Chartered Accountants Centre City Tower 7 Hill Street Birmingham B5 4UU
Bankers	Bank of Scotland 55 Temple Row Birmingham B2 5LS

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 2003.

Principal activities

The principal activity of the company is assuming responsibility for obligations of any subsidiary or a holding company of the Company to the Governor and Company of the Bank of Scotland in respect of the indebtedness owed to the Governor and Company of the Bank of Scotland.

Business review and future developments

The company has incurred interest on the loan during the year.

No funding has been received from Premier Percussion Limited.

Directors

The present directors of the company are set out on page 1. All of the directors served throughout the year.

No directors had any interest in the share capital of the company at the end of the period, or since the date of their appointment. The interests of the directors in the shares of the ultimate parent undertaking are disclosed in the financial statements of that company.

Statement of directors' responsibilities for the Annual Report

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year 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 these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

REPORT OF THE DIRECTORS (continued)

Auditors

The auditors, RSM Robson Rhodes LLP are willing to continue in office. A resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approval

The report of the directors was approved by the Board on 10 November 2004 and signed on its behalf by:



N P B SIMS
Secretary

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LAW 2383 LIMITED

We have audited the financial statements on pages 5 to 8.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom 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.

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 with the company is not disclosed.

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

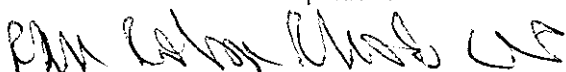
Basis of audit opinion

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 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 affairs of the company as at 31 December 2003 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors
Birmingham, England
10 November 2004

LAW 2383 LIMITED

PROFIT AND LOSS ACCOUNT

For the period ended 31 December 2003

	Note	Year ended 31 December 2003 £	Period ended 31 December 2002 £
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		-	(5,008,000)
Operating loss	2	-	(5,008,000)
Interest payable	3	(295,065)	(52,603)
Loss before taxation		(295,065)	(5,060,603)
Taxation	4	-	-
Loss for the year/period	9	(295,065)	(5,060,603)

There were no gains and losses during the period other than those reported above.

LAW 2383 LIMITED**BALANCE SHEET**
at 31 December 2003

	Note	2003 £	2002 £
Current assets			
Debtors	5	-	-
Cash at bank and in hand		1	1
		<u>1</u>	<u>1</u>
Creditors: Amounts falling within one year	6	(355,668)	(60,603)
		<u>(355,667)</u>	<u>(60,602)</u>
Net current liabilities		(355,667)	(60,602)
Creditors: Amounts falling due after more than one year	7	(5,000,000)	(5,000,000)
		<u>(5,355,667)</u>	<u>(5,060,602)</u>
Net liabilities		(5,355,667)	(5,060,602)
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	(5,355,668)	(5,060,603)
		<u>(5,355,667)</u>	<u>(5,060,602)</u>
Shareholders funds	10	(5,355,667)	(5,060,602)
		<u>(5,355,667)</u>	<u>(5,060,602)</u>

The financial statements were approved by the Board on 10 November 2004 and signed on their behalf by:



N P B SIMS
Director

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

1. ACCOUNTING POLICY

Basis of accounting

The accounts are prepared in accordance with applicable accounting standards under the historical cost convention.

Going concern and funding

As part of a Group refinancing, £5,000,000 of debt owed by Premier Percussion Limited was transferred to this company, which now has an indebtedness of £5,000,000 to the company's bankers, Bank of Scotland.

This money was then lent to Premier Percussion Limited. The loan is repayable in accordance with a loan agreement with Premier Percussion Limited. Full provision has been made against this loan within these accounts.

The company has no current or planned trading activities and has net liabilities of £5,302,914 and will only be able to pay the principal and interest of the bank loan if required funding support is made available by a fellow subsidiary company and to the extent that the subsidiary has such funds available.

2. OPERATING LOSS

	Year ended 31 December 2003 £	Period ended 31 December 2002 £
Provision against amounts due from group undertakings	-	5,000,000

3. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 2003 £	Period ended 31 December 2002 £
Bank loan interest	295,065	52,603

4. TAXATION

There is no charge to taxation for the year (2002: £Nil).

5. DEBTORS

	2003 £	2002 £
Amounts due after more than one year		
Amounts owed by group undertakings	NIL	NIL

Full provision has been made against amounts owed by Premier Percussion Limited to this company.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2003

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Accruals	355,668	52,603

The accruals are only payable under the terms of the loan agreement if funding is provided by Premier Percussion Limited.

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003 £	2002 £
Bank loans after more than five years	5,000,000	5,000,000

The bank loan of £5,000,000 taken out on 28 October 2002 is repayable within 7 years. The rate of interest is at the rate of 2% over the Bank of Scotland's base rate. The loan is secured by "Joint and Several" guarantees on the assets of all the Group Companies.

Repayments are only to be made subject to Premier Percussion Limited producing trading profits at a designated level and also providing funding to this company to enable the loan repayments to be made.

8. SHARE CAPITAL

	2003 £	2002 £
Authorised		
1,000 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 ordinary share of £1 each	1	1

9. PROFIT AND LOSS ACCOUNT

	2003 £	2002 £
At 1 January 2003	5,060,603	-
Loss for the period	295,065	5,060,603
At 31 December 2003	5,355,668	5,060,603

10. PARENT UNDERTAKING

The ultimate parent undertaking is Law 2375 Limited which is registered in England and Wales. Its accounts are available to the public on payment of the appropriate fee, from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.