

LOR LIMITED

REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31ST DECEMBER 1986



LOR LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and financial statements for the year ended 31st December 1986.

**ACTIVITIES**

During the year the principal activity of the Company was that of a financial subsidiary of Mercantile Credit Company Limited and this is likely to remain so for the foreseeable future.

**RESULTS**

The profit on ordinary activities after taxation amounted to £797. The directors do not recommend the payment of any dividends, preferential or ordinary.

**DIRECTORS AND THEIR INTERESTS**

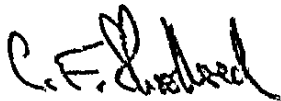
The directors holding office throughout the year were also directors of Trackwell Limited of which the Company is a wholly-owned subsidiary.

Mr. T.M. Clark  
Mr. F.A. Silcock

**AUDITORS**

In accordance with Section 384 of the Companies Act 1985 a resolution proposing the re-appointment of Deloitte Haskins & Sells as auditors of the Company will be put to the Annual General Meeting.

By Order of the Board



C.F. Shoolbred  
Secretary

Registered Office:  
1A Tenterden Street  
London W1R 9AH

Date 27 FEB 1987

REPORT OF THE AUDITORS TO THE MEMBERS OF LOR LIMITED

We have audited the financial statements set out on pages 3 to 7 in accordance with approved Auditing Standards.

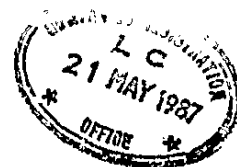
In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31st December 1986 and of the profit and source and application of funds for the year then ended and comply with the Companies Act 1985.



DELOITTE HASKINS & SELLS  
Chartered Accountants.

London

Date 27 FEB 1987



LOR LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 1986

	<u>Notes</u>	<u>1986</u> <u>£</u>	<u>1985</u> <u>£</u>
TURNOVER	2	<u>          -</u>	<u>69,808,947</u>
GROSS PROFIT		-	69,808,947
ADMINISTRATIVE EXPENSES			
Auditors' remuneration		(300)	(1,100)
Other		(165)	(150)
INTEREST PAYABLE TO GROUP COMPANY			
Mercantile Credit Company Limited		<u>          -</u>	<u>(62,431,999)</u>
(LOSS)/PROFIT BEFORE TAXATION		(465)	7,375,698
TAXATION	3	<u>1,262</u>	<u>(829,091)</u>
PROFIT AFTER TAXATION		797	6,546,607
DIVIDENDS PROPOSED		<u>          -</u>	<u>(6,546,607)</u>
RETAINED PROFIT		<u>£      797</u>	<u>£      --</u>

LOR LIMITED

BALANCE SHEET AT 31ST DECEMBER 1986

	<u>Notes</u>	<u>1986</u> £	<u>1985</u> £
CURRENT ASSETS			
DEBTORS - Amounts falling due within one year			
Amounts due from group company:			
Mercantile Credit Company Limited		<u>12,499</u>	<u>7,390,284</u>
		<u>12,499</u>	<u>7,390,284</u>
CREDITORS - Amounts falling due within one year			
Amounts due to group company:			
Trackwell Limited - proposed dividend		-	6,546,607
Provision for taxation	3	-	831,175
Other creditors		<u>300</u>	<u>1,100</u>
		<u>300</u>	<u>7,378,882</u>
NET CURRENT ASSETS BEING ALSO TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 12,199</u>	<u>£ 11,402</u>
CAPITAL AND RESERVES			
Called up share capital	5	11,400	11,400
Profit and loss account	6	<u>799</u>	<u>2</u>
		<u>£ 12,199</u>	<u>£ 11,402</u>

Approved by the Board 27 FEB 1987

 )  
 ) Directors

LOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1986

1. ACCOUNTING POLICY

The Company prepares its financial statements on the historical cost basis of accounting.

2. TURNOVER

Turnover represents interest receivable on lendings to group companies. The sole market supplied was the United Kingdom.

3. TAXATION

	<u>1986</u> £	<u>1985</u> £
The (tax credit)/charge in the profit and loss account represents:		
UK Corporation Tax		
Current year at 36½% (1985 - 41½%)		3,042,475
Prior year adjustment in respect of changing corporation tax rates	(1,262)	(2,084)
	<u>(1,262)</u>	<u>3,040,391</u>
Advance Corporation Tax recoverable	-	(2,211,300)
	<u>£ (1,262)</u>	<u>£ 829,091</u>

The Inland Revenue is currently disputing the ability of the Company to offset Advance Corporation Tax of £2,880,000 against corporation tax liabilities in the three years to 31st December 1985. The directors are of the opinion that the legal arguments are in the Company's favour and these financial statements reflect that view.

4. DIRECTORS' EMOLUMENTS

The directors received no emoluments during the year (1985 - Nil).

5. CALLED UP SHARE CAPITAL

	<u>1986</u> £	<u>1985</u> £
Authorised		
5,700 Preferred 'A' Ordinary Shares of £1 each	5,700	5,700
8,000 Ordinary Shares of £1 each	<u>8,000</u>	<u>8,000</u>
	<u>£13,700</u>	<u>£13,700</u>
Allotted and fully paid		
5,700 Preferred 'A' Ordinary Shares of £1 each	5,700	5,700
5,700 Ordinary Shares of £1 each	<u>5,700</u>	<u>5,700</u>
	<u>£11,400</u>	<u>£11,400</u>



LOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1986 (continued)

6. ULTIMATE HOLDING COMPANY

The Company's ultimate holding company is Barclays PLC, which is incorporated in Great Britain.

7. PROFIT AND LOSS ACCOUNT

	<u>1986</u> £	<u>1985</u> £
At 1st January	2	2
Retained profit for the year	<u>797</u>	<u>-</u>
	<u>£ 799</u>	<u>£ 2</u>

LOR LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST DECEMBER 1986

	<u>1986</u> <u>£</u>	<u>1985</u> <u>£</u>
SOURCE OF FUNDS		
(Loss)/Profit before taxation	(465)	7,375,698
APPLICATION OF FUNDS		
Dividend paid	6,546,607	10,344,005
Taxation paid	829,913	1,975,552
	<u>7,376,520</u>	<u>12,319,557</u>
	£(7,376,985)	£(4,943,859)
MOVEMENT IN WORKING CAPITAL		
Decrease in amounts from fellow subsidiaries	-	(711,000,000)
(Increase)/Decrease in amounts due to Mercantile Credit Company Limited	(7,377,785)	706,056,241
Decrease/(Increase) in other creditors	<u>800</u>	<u>(100)</u>
	<u>£(7,376,985)</u>	<u>£ (4,943,859)</u>